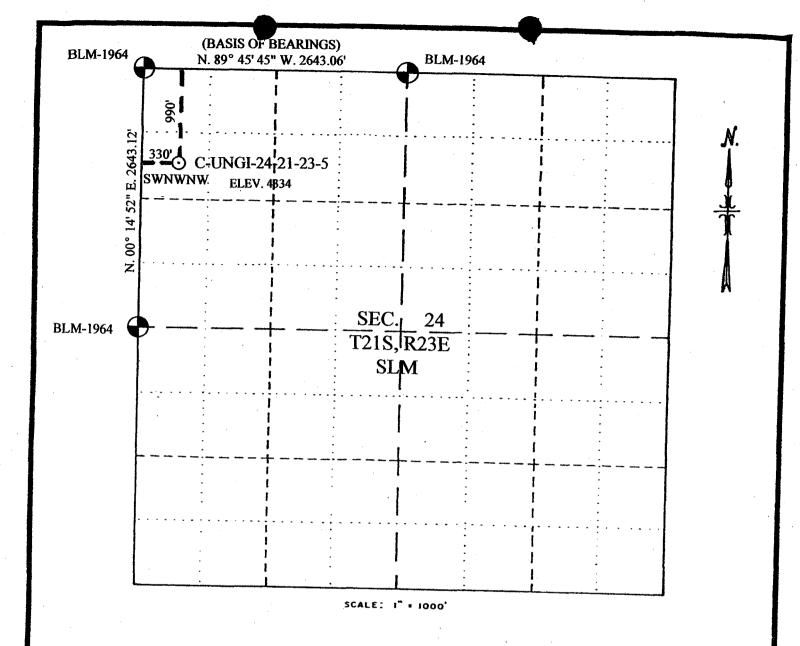
STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL. GAS AND MINING

| FORM |
|------|
| |

| 001 | | DIAIOIOIA OL (| OIL, GAS A | ND MINING | | AMEN[| DED REPORT |
|--------------------|--|-----------------|---------------------------------------|-------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| | APPLICATION F | OR PERMIT | O DRILL | | | 5. MINERAL LEASE NO: | ght changes) 6. SURFACE: |
| 1A. TYPE OF | WORK: DRILL X REENTE | R DEEPE | <u> Пи</u> | | | ML-49833 | SHUUTAI |
| B. TYPE OF | WELL: OIL [X GAS] OTHER_ | | - | | | 7, IF INDIAN, ALLOTTEE OF | |
| 2. NAME OF C | PERATOR | | NGLE ZONE | | NE X | 8. UNIT or CA AGREEMENT | NAME: |
| 3. ADDRESS C | GOLORADO - UTAHNA | TURAL GAS, IN | e. DAK | | 4 | 9. WELL NAME and NUMBER | R: |
| 140 WEST | 9000 SOUTH SANDY U | TAH 84070 | | PHONE NUMBER: | | C-UNG - 24 - 2 | 21-23-6 |
| 4. LOCATION | OF WELL (FOOTAGES) | STATE ZIP | | 775-240-076 | | GREATER CISC | OAREA |
| AT SURFACE | 990 FNL 3. | 30 FWL L | 944645 | x 38, 9697 | 724 | 11. QTR/QTR, SECTION, TO MERIDIAN: | WNSHIP, RANGE, |
| AT PROPOSI | ED PRODUCING ZONE: | ۷. | 131453 | 54 -109,330 | 381 | SIC 24 NO | UHM . |
| 14. DISTANCE | 5 AME IN MILES AND DIRECTION FROM NEAREST TOWN C | PR POST OFFICE | | | | T21S, R23E, SL | В&М |
| | CISCO, UTAH 84515 | | | | | 12. COUNTY: | 13. STATE: |
| 15. DISTANCE | TO NEAREST PROPERTY OR LEASE LINE (FEET) | 16. NUMBER C | OF ACRES IN LEAS | SE: | 1 47 100 | GRAND | UTA |
| 18 DISTANCE | 330' | | 400 | | Tr. NUI | MBER OF ACRES ASSIGNED | TO THIS WELL: |
| APPLIED FO | TO NEAREST WELL (DRILLING, COMPLETED, OR PR) ON THIS LEASE (FEET) | 19. PROPOSED | DEPTH: | | 20. BON | 10 ACRES ID DESCRIPTION: | |
| 21. ELEVATION | S (SHOW WHETHER DF, RT, GR, ETC.): | | 900' | | 1 | ETTER OF CRED | IT |
| | 4334 CR | | ATE DATE WORK | | | MATED DURATION: | 11 |
| | - TER | 230 30 | DON AS AP | PROVED | | 4 DAYS | |
| 24. | PROP | OSED CASING AI | ND CEMENT | ING PROGRAM | | | |
| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH . | | | Alternative and | | |
| 12" | 8 5/8" J-55 26# | 120' | CE | MENTED TO SU | DEAC | LD, AND SLURRY WEIGHT | |
| | | | | 1030 | MFAC | E | |
| 63/4" | 4 1/2" LIMITED SERVICE | TOTAL DEPTH | CEA | A FOR ITE TO THE | | | |
| | | | CER | MENTED TO SUI | RFACI | | |
| | | | · <u>·</u> | | · · · · · · · · · · · · · · · · · · · | | |
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| | | | · | <u> </u> | | | · · · · · · · · · · · · · · · · · · · |
| 25 | | <u> </u> | | | | RECEIVED | |
| VERIFY THE FOUL | OWING A TO | ATTAC | HMENTS | | , | DTC 1 4 2004 | |
| | OWING ARE ATTACHED IN ACCORDANCE WITH THI | | NSERVATION GEN | ERAL RULES: | | 1 7 2007 | |
| WELL PLA | T OR MAP PREPARED BY LICENSED SURVEYOR OR | ENGINEER | COMPI | ETE DRILLING PLAN | DIV. | OF OIL, GAS & MININ | IG |
| | OF DIVISION OF WATER RIGHTS APPROVAL FOR U | | | | | | |
| | | | L LOKW | D, IF OPERATOR IS PERSC | ON OR CO | MPANY OTHER THAN THE LE | EASE OWNER |
| | | | · · · · · · · · · · · · · · · · · · · | 0 - | | | |
| NAME (PLEASE PR | TEAN H. ChRIST | TENSON | TITLE | Kresidon | / | | • |
| SIGNATURE | Jean A Christen | Me- | | 17-17 | ~1/ | | |
| ls space for State | use only) | | DATE | 12-12-0 | <u> </u> | | |

43-019-31417 API NUMBER ASSIGNED:

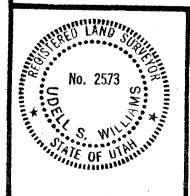
APPROVAL:



C-UNGI-24-21-23-5

Located 990 feet FNL and 330 feet FWL in Section 24, T21S, R23E, SLM.

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVIEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.





UDELL S. WILLIAMS

Professional Land Surveyor 449 E. Scenic Dr. Grand Junction, CO 81503-1569

PLAT OF PROPOSED LOCATION

C-UNGI-24-21-23-5 **SWNWNW SECTION 24**

T21S, R23E, SLM

SURVEYED BY: USW DATE: 10/15/2004 USW DRAWN BY: DATE: 11/23/2004

EXHIBIT "B"

TEN-POINT COMPLIANCE PLAN

COLORADO-UTAH NATURAL GAS, INC.

140 WEST 9000 SOUTH
SUITE 9
SANDY, UTAH 84070
801-566-1886 (TERRY R. SPENCER)
775-240-0769 (TARIQ AHMAD)

1. GEOLOGIC SURFACE FORMATION:

THE SURFACE FORMATION IS MANCOS SHALE.

2. GEOLOGIC MARKERS:

| FORMATION | DEPTH FROM SURFACE |
|-----------------|--------------------|
| DAKOTA (KD) | 390' |
| CEDAR MT (KCM) | 530' |
| Morisson (JM) | 670' |
| SALT WASH (JSW) | 740' |

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

| FORMATION | <u>DEPTH</u> | FLUIDS, ETC. |
|-----------------|--------------|--------------|
| DAKOTA (KD) | 390 | GAS/OIL |
| CEDAR MT. (KCM) | 530' | OIL |
| MORRISON (JM) | 670' | OIL |
| SALT WASH (JSW) | 740' | OIL |

4. PROPOSED CASING PROGRAM:

- (A) DRILL 12" HOLE TO 120' AND SET 8 5/8" 26 LBS CASING CEMENTED BACK TO SURFACE.
- (B) DRILL 6 1/4" HOLE TO TOTAL DEPTH AND SET 4 1/2" 9.5 LBS CASING BACK TO SURFACE. OPERATOR WILL SET CEMENT BASKETS ABOVE PRODUCING ZONES.

PAGE 2
DRILLING APPLICATION

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

EXHIBIT "C" ATTACHED HERETO IS A SCHEMATIC OF A BLOWOUT PREVENTER TO BE UTILIZED TO MAINTAIN WELL CONTROL. THE BOP WILL BE HYDRAULICALLY TESTED TO 1000 PSI AFTER NIPPLING UP AND AFTER ANY USE UNDER PRESSURE. THE PIPE RAMS WILL BE TESTED AND WILL BE RECORDED ON THE TOWER SHEET. ACCESSORIES TO THE BOP INCLUDE A KELLY COCK, SAFETY VALVE, DRILL STRING BOP AND CHOKE WITH PRESSURE RATING EQUIVALENT TO THE BOP STACK OR 1000 PSI.

OPERATOR ANTICIPATES A MAXIMUM OF 400 PSI FROM THE FORMATIONS BEING PENETRATED.

6. TYPE AND CHARACTERISTICS OF PROPOSED DRILLING MUDS:

THE WELL WILL BE DRILLED WITH AIR AND AIR MIST UNTIL WATER IS ENCOUNTERED. THE OPERATOR WILL THEN COMPLETE WITH A SALT WATER BASED GEL IF NECESSARY TO MAINTAIN HOLE INTEGRITY. THE DRILLING RETURNS WILL BE SPRAYED WITH A MIST TO ELIMINATE DUST. DRILLING GEL AND A SUPPLY OF BRINE WILL BE AVAILABLE ON THE SITE IF NECESSARY TO KILL THE WELL OR IF NECESSARY FOR LOGGING.

7. AUXILIARY EQUIPMENT TO BE USED:

- (A) KELLY COCK WILL BE KEPT IN THE DRILL STRING.
- (B) A FULL OPENING STABBING VALVE WILL BE ON THE RIG FLOOR FOR USE, WHEN THE KELLY IS NOT ON THE DRILL STRING.
- (C) A FLOAT WILL BE RUN AT THE BIT.
- (D) MONITORING EQUIPMENT WILL BE INSTALLED AND USED ON THE MUD SYSTEM IF UTILIZED.

8. TESTING, LOGGING AND CORING PROGRAMS:

- (A) DRILL STEM TESTS ARE NOT PLANNED AT THIS TIME.
- (B) THE LOGGING PROGRAM WILL CONSIST OF AND INDUCTION AND COMPENSATED DENSITY NEUTRON.
- (C) NO CORING IS PLANNED.
- (D) DRILLING SAMPLES WILL BE CAUGHT EVERY FIVE (5) FEET AFTER THE "A" ZONE MARKER IS IDENTIFIED.

9. <u>ANY ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED:</u>

<u>NO</u> ABNORMAL PRESSURES OR TEMPERATURES ARE ANTICIPATED. NO HYDROGEN SULFIDE OR OTHER HAZARDOUS GASSES OR FLUIDS HAVE BEEN REPORTED IN THIS AREA AND NUMEROUS DRILLED LOCATIONS (ABANDONED) EXIST WITHIN THE IMMEDIATE AREA.

PAGE 3 DRILLING APPLICATION

10. ANTICIPATED START DATE AND DURATION OF OPERATIONS:

THE ANTICIPATED STARTING DATE WILL BE APPROXIMATELY FIVE (5) DAYS AFTER APPROVAL OF THIS APPLICATION, AND THE APPROVAL OF ALL DRILLING REQUIREMENTS.

THE WELL BEING DRILLED UNDER THIS LOCATION SHOULD BE COMPLETED AS AN OIL WELL APPROXIMATELY THREE DAYS AFTER SPUDDING.

EXHIBIT "D" <u>MULTI-POINT REQUIREMENTS TO ACCOMPANY APD</u>

1. EXISTING ROADS:

- (A) EXHIBIT "A" IS THE PROPOSED WELL SITE AS STAKED BY UDELL WILLIAMS, A REGISTERED SURVEYOR. THE GROUND ELEVATION IS SHOWN ON THE WELL PLAT.
- (B) EXHIBIT "E" IS THE ROUTE AND DISTANCE ROAD MAP. THE LOCATION IS A QUARTER MILE FROM THE CISCO POST OFFICE (84515). THE ROUTE TO THE WELL IS SHOWN IN GREEN.
- (C) EXHIBIT "F" IS A COPY OF THE CISCO QUADRANGLE AND SHOWS THE ACCESS ROAD TO THE LOCATION.
- (D) ALL EXISTING ROADS APPEAR ON THE ATTACHED EXHIBITS.
- (E) THIS IS CONSIDERED TO BE A DEVELOPMENT WELL.
- (F) ALL ROAD FROM CISCO TO THE LOCATION ARE IN GOOD CONDITION AND ALLOW FOR HEAVY TRUCKING ON A REGULAR BASIS. THE ROADS TO THE WELL SITES WILL BE GRADED AND MAINTAINED TO ALLOW FOR YEAR ROUND OPERATION. THE OPERATOR INTENDS TO UTILIZE A CENTRAL TANK BATTERY NEXT TO THE ASPHALT ROAD AS THE WELLS HAVE COMMON OWNERSHIP AND ROYALTY OWNERS.

2. PLANNED ACCESS ROADS:

THE ACCESS ROAD TO THIS LOCATION WILL BE OF MINIMAL SURFACE DISTURBANCE. THE ROAD WILL BLADED LEVEL AS WILL THE LOCATION.

- (A). THE TYPICAL SECTION OF THE ACCESS ROAD WILL BE 16' IN WIDTH.
- (B). NO GRADE EXISTS OR WILL BE LESS THAN 2-4%.
- (C). NO TURNOUTS ARE REQUIRED.
- (D). NO CULVERTS ARE REQUIRED OR ARE NECESSARY.
- (E). Any new surface material will be naïve to the area.
- (F). NO GATES OR CATTLE GUARDS ARE REQUIRED.
- (G). THE PROPOSED ACCESS ROUTES HAVE BEEN FLAGGED.

3. LOCATION OF EXISTING WELLS:

All existing wells within a one-mile radius of this development well are shown on Exhibit "F".

- (A). THERE ARE NO WATER WELLS
- (B). NUMEROUS ABANDONED WELLS EXIST AND ARE LOCATED ON EXHIBIT "F"
- (C). NO TEMPORARILY ABANDONED WELLS EXIST.
- (D). THERE ARE NO DISPOSAL WELLS.
- (E). THERE ARE NO DRILLING WELLS.
- (F). EXISTING WELLS ARE LOCATED ON EXHIBIT "F"
- (G). THERE ARE NO SHUT-IN LOCATIONS
- (H). THERE ARE NO INJECTION WELLS AT THIS TIME.
- (I). NO MONITORING OR OBSERVATIONS WELLS EXIST.

4. LOCATION OF EXISTING AND /OR PROPOSED FACILITIES:

- (A). WITHIN A ONE-MILE RADIUS OF THIS LOCATION ARE EXISTING FACILITIES OWNED OR CONTROLLED BY THE LESSEE/OPERATOR AS SHOWN ON EXHIBIT "F". THE FACILITIES CONSIST OF A CURRENTLY OPERATED WELL, (GIBRALTAR #1) AND IT EQUIPMENT.
- (B). THE CISCO GATHERING SYSTEM, A NATURAL GAS PIPELINE WITH A TERMINUS INTO THE NORTHWEST PIPELINE.
- (C). EXHIBIT "I" SHOWS THE ANTICIPATED PRODUCTION FACILITY.
- (D). THE DIMENSIONS OF THE PRODUCTION FACILITY IS SHOWN ON EXHIBIT "I" AND IS DRAWN TO A SCALED OF 1" 50'.
- (E) NO OUTSIDE CONSTRUCTION MATERIALS WILL BE NEEDED EXCEPT FOR GRAVEL TO BE PLACE UNDER THE PUMP-JACK AND OTHER PRODUCTION EQUIPMENT. GRAVEL WILL BE PLACED UNDER THE CENTRAL TANK BATTERY.
- (F) A WATER DISPOSAL PIT WILL BE CONSTRUCTED ON EACH SITE AND WILL FLAGGED.

5. LOCATION AND TYPE OF WATER SUPPLY:

WATER AND SALT BRINE WILL BE HAULED FROM MOAB FOR USE ON THIS LOCATION. NO WATER WELL OR OTHER SOURCE OF WATER IS PLANNED.

6. SOURCE OF CONSTRUCTION MATERIALS:

ANY AND ALL CONSTRUCTION MATERIALS (GRAVEL) NECESSARY WILL BE PURCHASED AND TRANSPORTED FROM GREEN RIVER, UTAH.

7. METHODS FOR HANDLING WASTE DISPOSAL:

- (A) DRILL CUTTINGS WILL BE BURIED IN THE RESERVE PIT.
- (B) DRILLING FLUIDS WILL BE CONTAINED IN STEEL MUD PITS AND/OR THE RESERVE PIT. THESE FLUIDS IF REUSABLE WILL BE TRANSPORTED TO THE NEXT DRILLING LOCATION. EVENTUALLY ANY REMAINING FLUIDS WILL BE DISPOSED OF IN AN APPROVED DISPOSAL SITE IN EITHER MOAB OR GREEN RIVER.
- (C) ANY HYDROCARBON LIQUIDS PRODUCED WILL DRILLING OR DURING INITIAL PRODUCTION TESTING WILL BE COLLECTED IN A TANK AND SOLD. ANY SPILL OR OTHER ADVERSE SUBSTANCES WILL BE REMOVED FROM THE SITE UPON THE COMPLETION OF THE DRILLING OPERATIONS AND TRANSPORTED TO AN APPROVED DISPOSAL FACILITY IN EITHER MOAB OR GREEN RIVER, UTAH,
- (D) An "Outhouse" currently exists at property adjacent to this lease that is owned by one of the Corporate principals and will be utilized for human waste. If necessary chemical toilet facility will be placed on the location.
- (E) GARBAGE AND OTHER TRASH WILL BE COLLECTED IN A TRASH CONTAINERS AND ITS CONTENTS HAULED TO THE NEAREST DESIGNATED LANDFILL (MOAB OR GREEN RIVER).

7. (F) THE ENTIRE SITE WILL BE CLEANED UP AND RESTORED TO A SMOOTH CONTOUR WHEN THE RIGS MOVES OUT. ONLY THAT PART OF THE LOCATION REQUIRED FOR PRODUCTION WILL BE USED. AN APPROPRIATE SEED MIXTURE NATIVE TO THE SITE WILL BE PLANTED ON THE UN-USED PORTIONS OF THE SITE.

8. ANCILLARY FACILITIES:

NO AIRSTRIPS, CAMPS OR OTHER LIVING FACILITIES WILL BE BUILT OFF THIS LOCATION.

9. WELL SITE LAYOUT:

- (A). EXHIBIT "G" IS THE DRILL PAD LAYOUT. ANY TOPSOIL MOVED WILL BE STOCKPILED AND RE-USED AT THE COMPLETION OF THIS PROJECT.
- (B) THE MUD TANKS, RESERVE PIT, TRASH CAGE, PIPE RACKS AND ANY STORED SOIL, RIG SET-UP, PARKING FACILITIES AND ACCESS ROAD ARE SHOWN ON EXHIBIT "H".
- (C) THE RESERVE PITS WILL NOT BE LINED. STEEL MUD TANKS WILL BE USED AND ARE SHOWN ON EXHIBIT "H". IF WATER IS PRODUCED DURING PRODUCTION, A DISPOSAL STUDY WILL BE COMPLETED.

10. PLANS FOR RESTORATION:

- (A). BACK-FILLING, LEVELING, AND RE-CONTOURING WILL BE ACCOMPLISHED AS SOON AS POSSIBLE AFTER THE COMPLETION OF DRILLING OPERATIONS IF THE WELL IS PLUGGED. IF THE WELL IS A COMMERCIAL WELL, THE PRODUCTION FACILITIES, TO INCLUDE THE INSTALLATION UNDER GROUND PIPING TO THE CENTRAL TANK BATTERY WILL BE COMPLETED, AND THE UNUSED AND DISTURBED AREAS WILL BE REPLANTED AND LEVELED.
- (B) REHABILITATION OF THE SURFACE WILL BE ACCOMPLISHED BY RE-CONTOURING AS PRACTICAL BACK TO BLEND WITH THE ORIGINAL CONTOURS. Any stockpiled topsoil will be spread along with ripping of the pad. Re-vegetation will be accomplished with native grasses or other seeds designated by the state of Utah.
- (C) THREE SIDES OF THE RESERVE PITS WILL BE FENCED PRIOR TO DRILLING OPERATIONS. UPON RIG RELEASE THE RESERVE PIT WILL BE FENCED ON ALL SIDES AND REMAIN UNTIL ABANDONMENT OF THE LOCATION AT WHICH TIME IT WILL BE RE-CONTOURED AND FILLED.
- (D) ANY SPILLS WILL BE IMMEDIATELY REPORTED AND CLEAN-UP.
- (E) REHABILITATION OPERATIONS WILL COMMENCE AS SOON AS POSSIBLE AND PRACTICAL AFTER THE RIGS HAVE BEEN MOVED OFF THE LOCATION. SEEDING WILL BE COMPLETED DURING THE FALL PERIOD TO INSURE THE BEST GROWTH POTENTIAL.

11. OTHER INFORMATION:

AS INDICATED ON EXHIBIT "F", THE TOPOGRAPHY OF THE LOCATION HAS VERY LITTLE RELIEF. THE LOCATION IS ON A GENTLE SLOPING AREA WHICH WILL NECESSITATE VERY LITTLE CONSTRUCTION. THIS LOCATION IS LOCATED IN THE MIDDLE OF AN OLD OPERATING OIL FIELD (CISCO TOWNSITE).

THE SOIL IS LIGHT GRAY TYPICAL OF MANCOS.

THE VEGETATION IN THE IMMEDIATE AREA SURROUNDING THIS LOCATION IS GARDNER SALTBUSH, SHADSCALE, GREASEWOOD, CHEATGRASS, AND PRICKLY PEAR CACTUS. NONE OF THESE SPECIES IS ENDANGERED OR OF ANY ECONOMICAL VALUE OTHER THAN FOR SOIL STABILIZATION, WHICH IS NOT A FACTOR, AS THE AREA IS ALMOST LEVEL WITH LITTLE OR NO SOIL EROSION.

THE FAUNA OF THE AREA CONSISTS OF STRAY CATTLE, AN OCCASIONAL LOST SHEEP, ANTELOPE, RABBITS, LIZARDS, SNAKE, RAVENS AND AN OCCASIONAL GROUND SQUIRREL. NONE OF THE OBSERVED ANIMALS ARE ENDANGERED OR PROTECTED.

THE SURFACE AREA IS PRIVATELY OWNED (SEE TITLE OPINION) AS ARE THE MINERALS. HERETOFORE THIS AREA WAS NOT INHABITED OR UTILIZED.

THE NEAREST LIVE WATER IS FOUND IN THE WASH AREA APPROXIMATELY ONE MILE TO THE WEST IN THE AREA KNOWN AS THE CISCO WASH.

THE NEAREST OCCUPIED DWELLING IS OWNED BY A PRINCIPAL OF COLORADO-UTAH NATURAL GAS, INC. AND HAS BEEN OWNED FOR APPROXIMATELY TWENTY (20) YEARS. THIS FACILITY WILL BE USED DURING THE DRILLING OPERATIONS FOR SLEEPING, COOKING, ETC.

THERE ARE NO KNOWN OR VISIBLE ARCHEOLOGICAL, HISTORICAL, OR CULTURAL SITES WITHIN AN REASONABLE PROXIMITY TO THIS LOCATION.

THERE ARE NO RESTRICTIONS NOTED N THE OIL AND GAS LEASE (SEE TITLE OPINION).

12. LESSEE'S OR OPERATORS REPRESENTATIVES:

TARIQ AHMAD 137 VASSAR, #5 RENO, NEVADA 81502 DEAN H. CHRISTENSEN 2160 PANORAMA WAY HOLLADAY, UTAH 84124

775-240-0769 775-333-6626

801-554-2021 801-278-3118

TERRY R. SPENCER, ESQ 801-566-1884 801-244-7778

13. <u>CERTIFICATION:</u>

I HEREBY CERTIFY THAT I, OR PERSONS UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE PROPOSED DRILLSITE AND ACCESS ROUTE; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH PRESENTLY EXIST; THAT THE STATEMENTS MADE IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT; AND, THAT THE WORK ASSOCIATED WITH THE OPERATIONS PROPOSED HEREIN WILL BE PERFORMED BY MY CONTRACTORS AND SUBCONTRACTORS IN CONFORMITY WITH THIS PLAN AND TERMS AND CONDITIONS UNDER WHICH IT IS APPROVED.

12-12-04 DATE

DEAN H. CHRISTENSEN

PRESIDENT

WELLS ON PLAT

| - | | T21S, R23E |
|------------------------------|---------------------|-------------------|
| WELL NAME | API NUMBER | LOCATION |
| 1. CISCO OIL REFINING #1 | 43-019-11529 | SEC 13 |
| PLUGGED AND ABANDONED | | 660 FSL 1650 FEL |
| 2. GOLDEN FEE #1 | 43-019-10363 | SEC 13 |
| PLUGGED AND ABANDONED | | 660 FSL 660 FWL |
| 3. FEE #2 | 43-019-11528 | SEC 13 |
| PLUGGED AND ABANDONED | | 250 FSL 2310 FEL |
| 4. CISCO OIL DEVL. #1 | 43-019-11527 | SEC 13 |
| PLUGGED AND ABANDONED | | 660 FSL 1980 FEL |
| 5. ARIZONA-UTAH GAS & OIL #2 | 43-019-11526 | SEC 13 |
| PLUGGED AND ABANDONED | | 330 FSL 1980 FEL |
| 6. FEE #1 | 43-019-11214 | SEC 13 |
| PLUGGED AND ABANDONED | | 330 FSL 2310 FEL |
| 7. PAULSON 23-2 | 43-019-30261 | SEC 23 |
| SHUTIN GAS WELL | • | 330 FNL 330 FEL |
| 8. GOV'T STRAT 1 | 43-019-11549 | SEC 23 |
| PLUGGED AND ABANDONED | | 2410 FNL 1520 FEL |
| 9. VANOVER #2 | 43-019-30247 | SEC 24 |
| PLUGGED AND ABANDONED | • | 1650 FNL 330 FEL |
| 10. WHYTE STATE #3 | 43-019-30015 | SEC 24 |
| PLUGGED AND ABANDONED | | 2310 FSL 330 FWL |
| 11. VANOVER FEE #1 | 43-019-30012 | SEC 24 |
| PLUGGED AND ABANDONED | | 1670 FNL 1020 FEL |
| 12. CISCO OIL REFINING #3 | 43-019-20385 | SEC 24 |
| PLUGGED AND ABANDONED | | 1650 FSL 990 FEL |
| 13. KENMORE 24-114 | 43-019-20383 | SEC 24 |
| PLUGGED AND ABANDONED | | 990 FNL 1650 FEL |
| 14. KENMORE 24-15 | 43-019-20381 | SEC 24 |
| PLUGGED AND ABANDONED | | 660 FNL 1980 FWL |
| 15. HANSON FEE #1 | 43-019-20287 | SEC 24 |
| PLUGGED AND ABANDONED | | 2310 FNL 965 FEL |
| | 43-019-16264 | SEC 24 |
| PLUGGED AND ABANDONED | • | 2310 FNL 329 FWL |
| 17. MURRAY FEE #2 | 43-019-16262 | SEC 24 |
| PLUGGED AND ABANDONED | | 558 FNL 573 FEL |
| 18. KENMORE #3 | 43-019-16261 | SEC 24 |
| PLUGGED AND ABANDONED | | 1015 FNL 2050 FEL |
| 19. AUDREY #1 | 43-019-15109 | SEC 24 |
| PLUGGED AND ABANDONED | | 1580 FNL 2190 FEL |
| 20. ROY COOK #1 | 43-019-15005 | SEC 24 |
| PLUGGED AND ABANDONED | | 1228 FNL 1965 FEL |
| 21. POOR BOY #1 | 43-019-15004 | SEC 24 |
| PLUGGED AND ABANDONED | | 400 FNL 2000 FEL |
| | | |

PAGE 2 PLATTED WELLS

| WELL NAME | API NUMBER | T21S, R23E LOCATION |
|---------------------------|--------------|------------------------|
| | | 200/11011 |
| 22. MURRAY #3 | 43-019-15003 | SEC 24 |
| PLUGGED AND ABANDONED | | 330 FNL 990 FEL |
| 23. FULLER #1 | 43-019-15001 | SEC 24 |
| PLUGGED AND ABANDONED | | 1045 FNL 2390 FWL |
| 24. CISCO OIL REFINING #2 | 43-019-11536 | SEC 24 |
| PLUGGED AND ABANDONED | | 2310 FSL 990 FEL |
| 25. CISCO OIL REFINING #1 | 43-019-11535 | SEC 24 |
| PLUGGED ABANDONED | | 2310 FNL 990 FEL |
| 26. KENMORE 24-106 | 43-019-11534 | SEC 24 |
| PLUGGED AND ABANDONED | • | 1650 FNL 1650 FEL |
| 27. FEE 1 | 43-019-11533 | SEC 24 |
| PLUGGED AND ABANDONED | | 990 FNL 2000 FEL |
| 28. VANOVER FEE #2 | 43-019-11417 | SEC 24 |
| PLUGGED AND ABANDONED | | 990 FNL 330 FEL |
| 29. WHYTE-STATE #1 | 43-019-11443 | SEC 24 |
| PLUGGED AND ABANDONED | | 395 FNL 993 FWL |
| 30. KENMORE #2 | 43-019-10384 | SEC 24 |
| PLUGGED AND ABANDONED | | 660 FNL 660 FEL |
| | | |

PRODUCING WELLS PLATTED

| 31. VANOVER FEE #2 | 43-019-31105 | SEC 24 |
|--------------------|--------------|-------------------|
| PRODUCING GAS WELL | | 1820 FNL 820 FEL |
| 32. WHYTE STATE #2 | 43-109-16263 | SEC 24 |
| SHUTIN OIL WELL | | 1650 FSL 2310 FWL |
| 33. GIBRALTER #1 | 43-019-31033 | SEC 24 |
| PRODUCING OIL WELL | | 1274 FNL 2192 FEL |

PRODUCING WELLS NOT PLATTED

| 34. PETRO-X 23-1 | 43-019-30558 | SEC 23 |
|------------------|--------------|------------------|
| SHUT IN GAS WELL | | 330 FNL 2310 FWL |
| 35. NUGGETT 14-4 | 43-019-30423 | SEC 14 |
| SHUT IN OIL WELL | · | 990 FSL 2241 FEL |

PLUGGED AND ABANDONED WELLS NOT PLATTED

| 36. PAULSON STATE 23-3 | 43-019-30381 | SEC 23 |
|------------------------|--------------|-------------------|
| PA | | 1020 FSL 1120 FWL |
| 37. SARGEANT-GOV'T 1 | 43-019-10666 | SEC 13 |

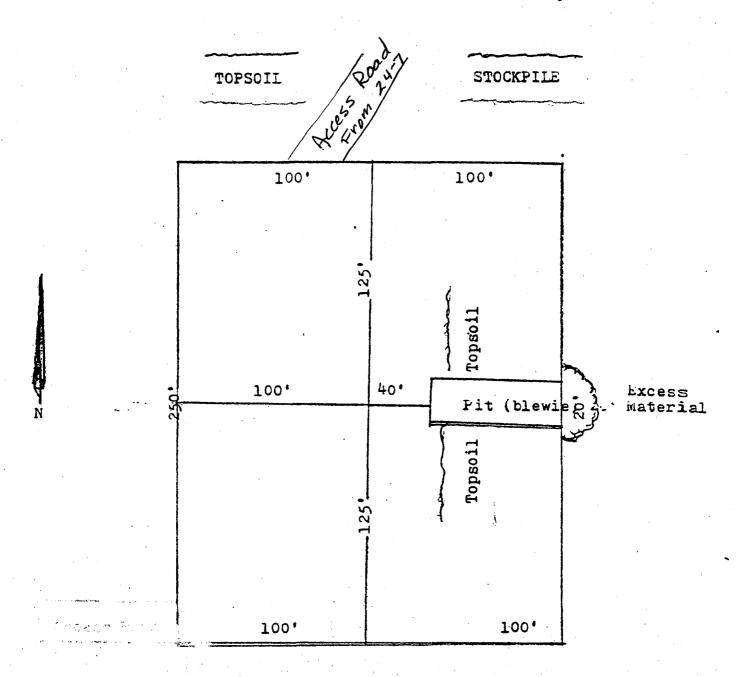
PA PAGE 3 WELLS

1980 FNL 1872 FWL

| | | T21S R23E |
|----------------------------|--------------|-------------------|
| WELL NAME | API NUMBER | LOCATION |
| 38. ST BUCKHORN-ADAK 14-1 | 43-019-30396 | SEC 14 |
| PLUGGED AND ABANDONED | | 1650 FNL 2310 FEL |
| 39. BUCKHORN-NUGGETT 14-2 | 43-019-30399 | SEC 14 |
| PLUGGED AND ABANDONED | | 1075 FSL 0399 FWL |
| 40. VUKASOVICH 14-3 | 43-019-30511 | SEC 14 |
| PLUGGED AND ABANDONED | | 1164 FNL 261 FWL |
| 41. PEERLESS OIL COMPANY 1 | 43-109-11531 | SEC 23 |
| PLUGGED AND ABANDONED | | 660 FNL 660 FWL |
| 42. UTAH SOUTHERN OIL CO 2 | 43-019-11532 | SEC 23 |
| PLUGGED AND ABANDONED | • | 990 FSL 280 FWL |
| | | |

COLORADO-UTAH NATURAL GAS, INC. (C-UNGI-24-21-23-5)

Exhibit "G"
Drill Pad Layout
Grand County, Utah



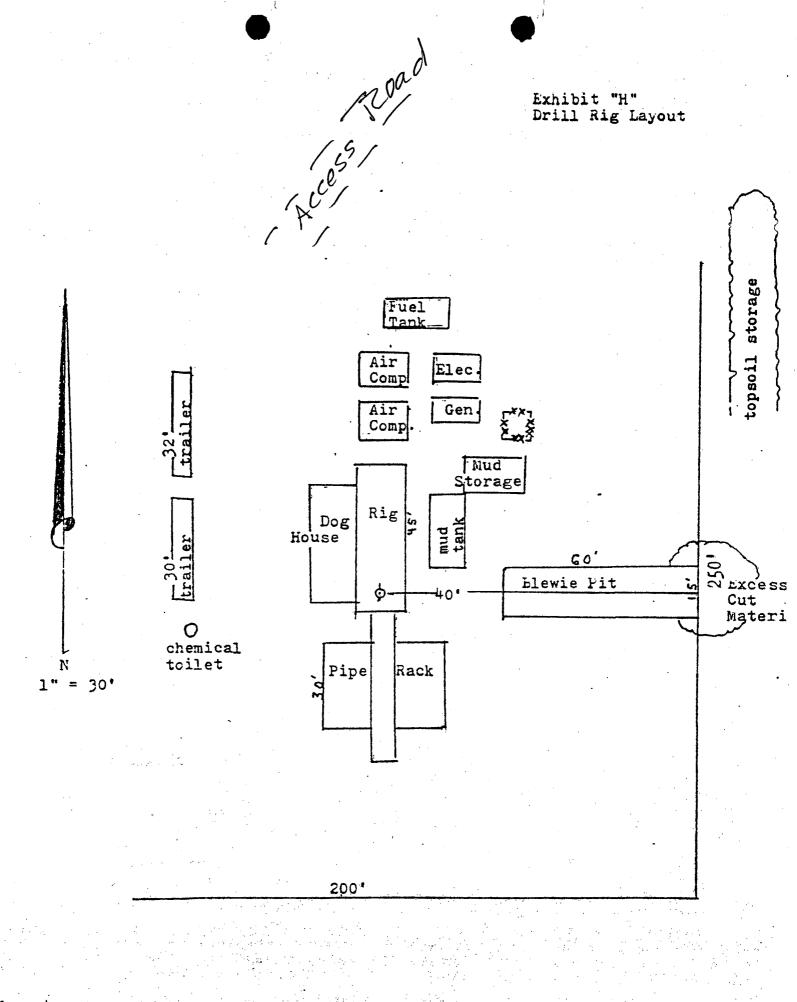


EXHIBIT "I" PRODUCTION FACILITIES COLORADO-UTAH NATURAL GAS, INC. (C-UNGI-24-21-23-5)

PUMP-JACK

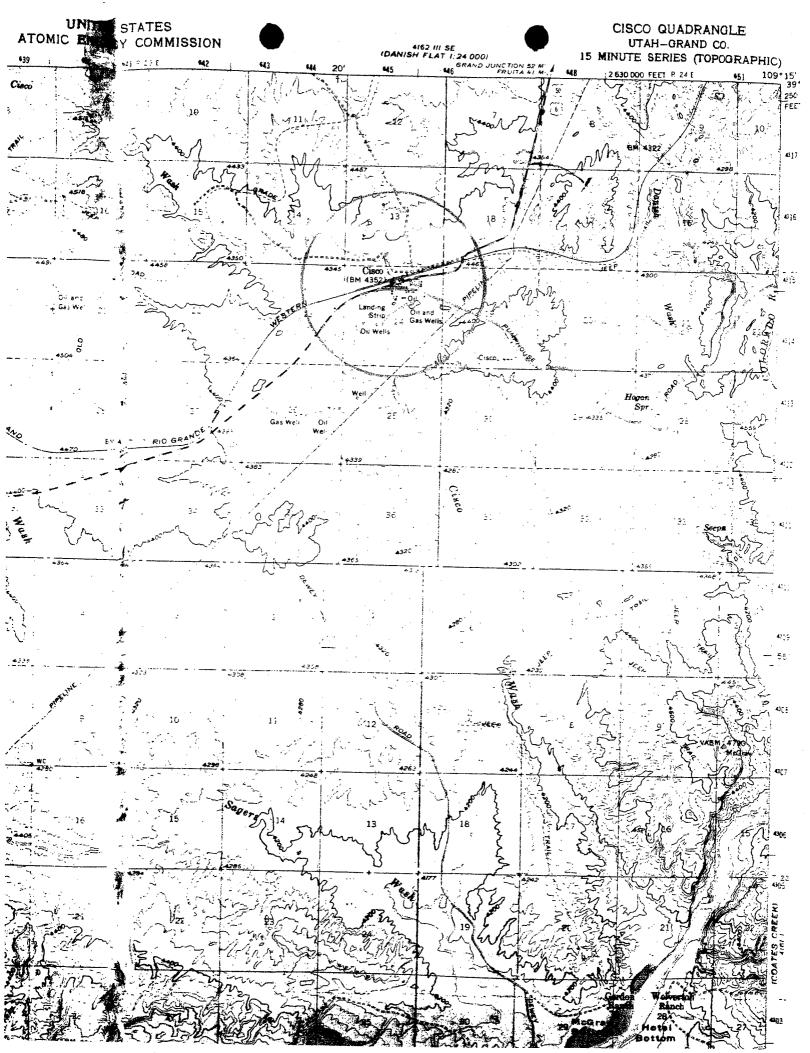
ACCESS ROAD TO 24-7 LOCATION

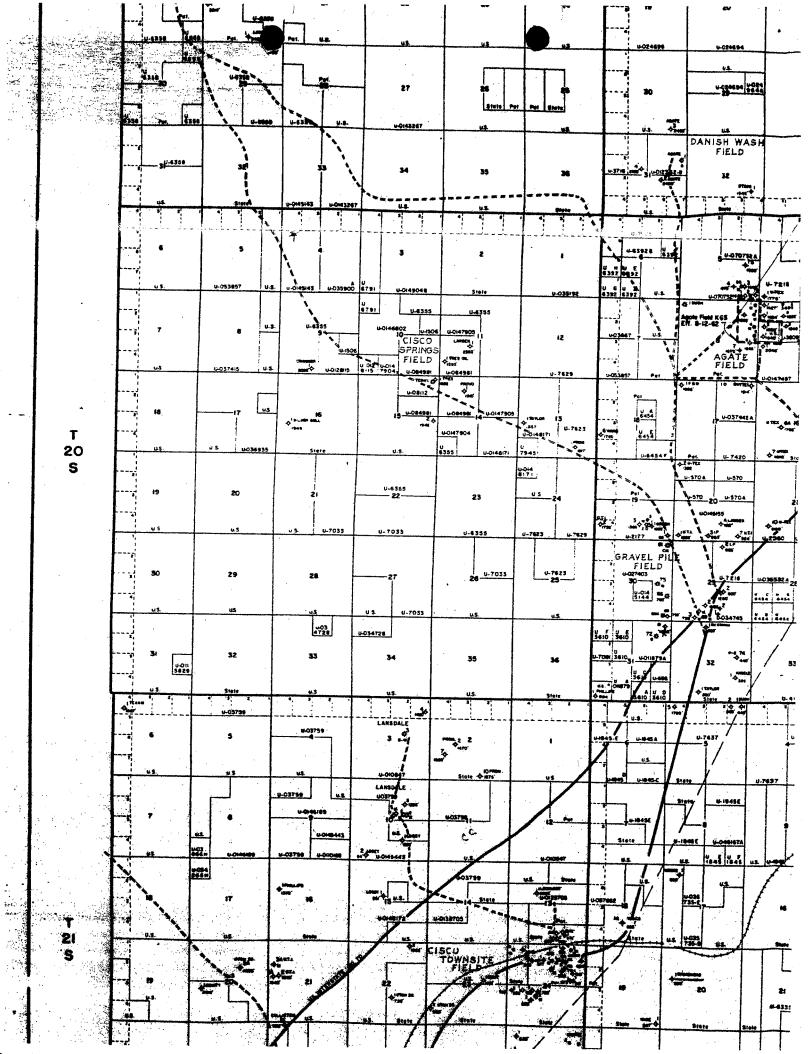
///

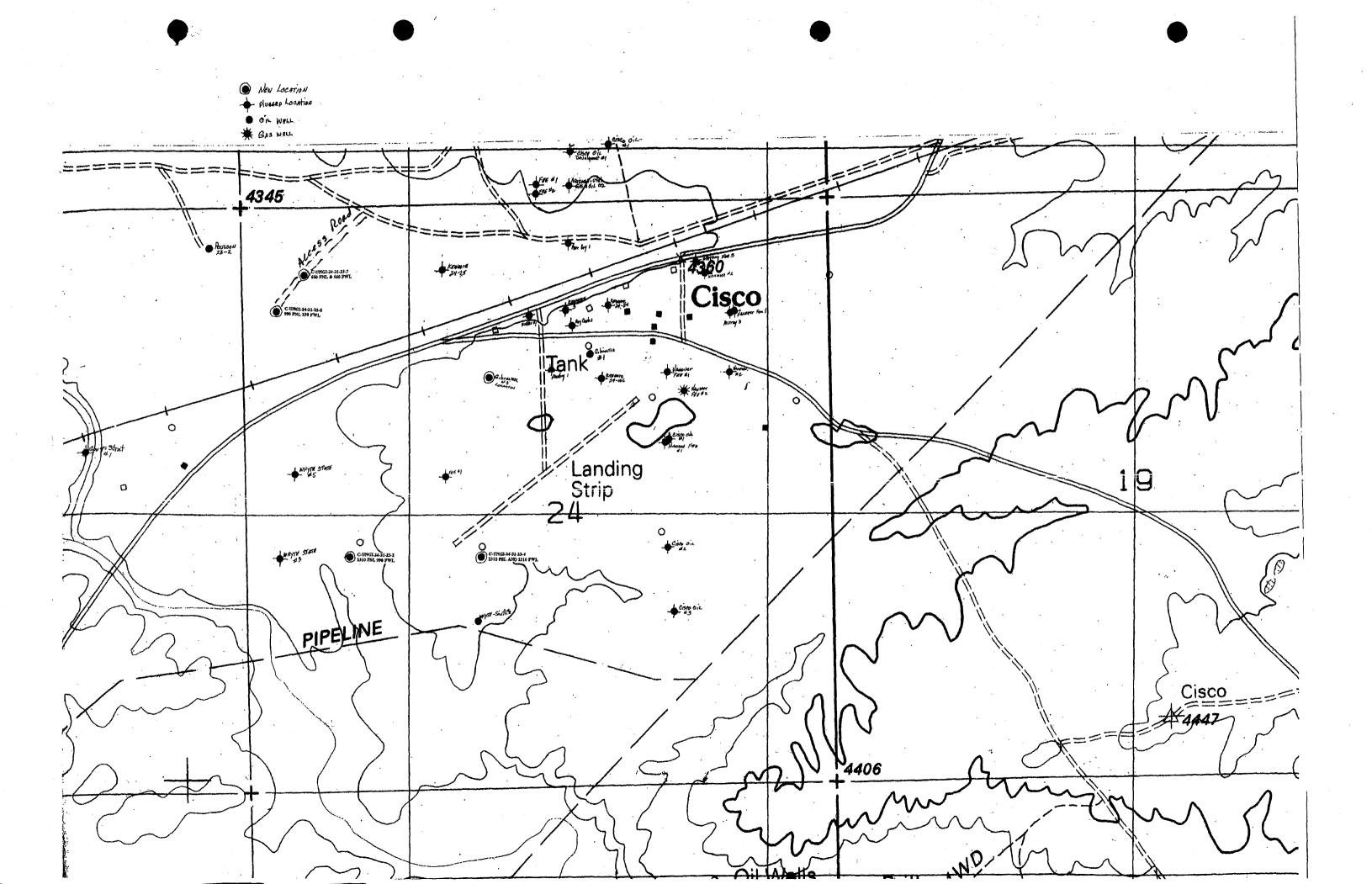
BURIED 2" POLY-LINE LINE
TO 24-7 TANK BATTERIES

//

WELL-HEAD

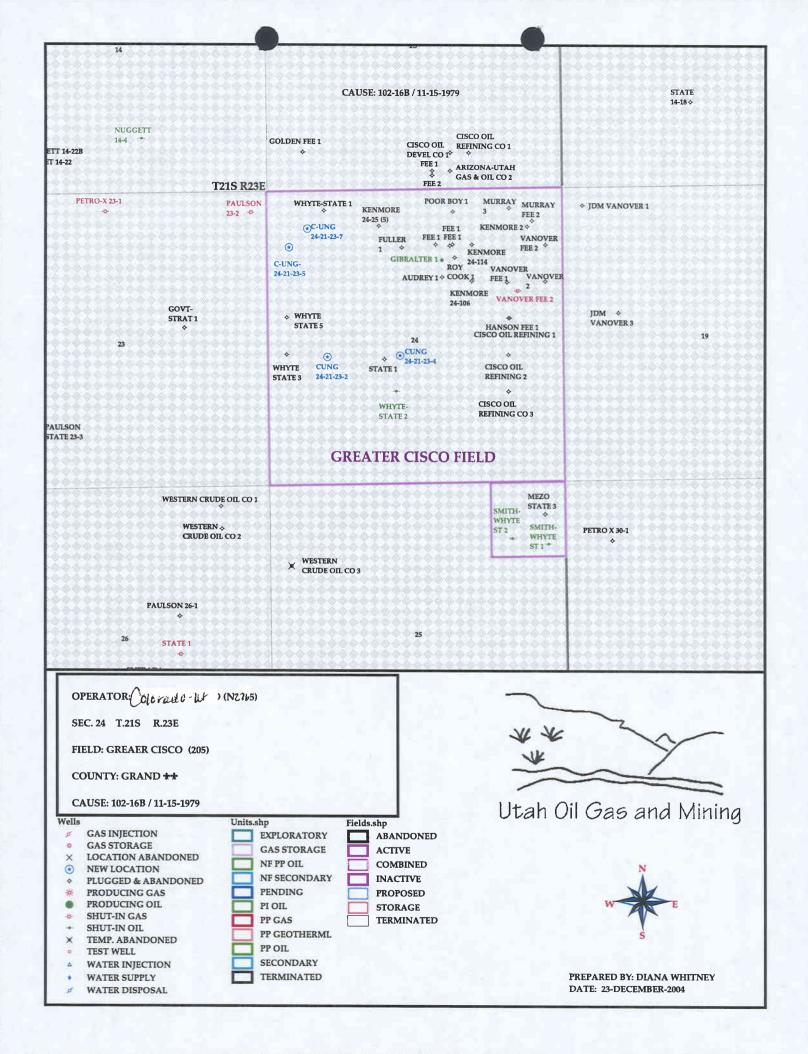






WORKSHEET PPLICATION FOR PERMIT TO DRILL

| APD RECEIVED: 12/14/2004 | API NO. ASSIGNED: 43-019-31417 |
|---|---|
| WELL NAME: C-UNG-24-21-23-5♠ OPERATOR: COLORADO-UTAH NATURAL (N2765) CONTACT: DEAN CHRISTENSEN | PHONE NUMBER: 801-554-2021 |
| PROPOSED LOCATION: NWNW 24 210S 230E SURFACE: 0960 FNL 0360 FWL BOTTOM: 0960 FNL 0360 FWL GRAND GREATER CISCO (205) LEASE TYPE: 3 - State LEASE NUMBER: ML-48933 SURFACE OWNER: 3 - State PROPOSED FORMATION: SLTW COALBED METHANE WELL? NO | INSPECT LOCATN BY: / / Tech Review Initials Date Engineering Geology Surface LATITUDE: 38.96981 LONGITUDE: -109.3303 |
| Plat Plat Bond: Fed[] Ind[] Sta[] Fee[] (No. 103850\(\nu25\)) Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. MUNICIPAL) N RDCC Review (Y/N) (Date:) N Fee Surf Agreement (Y/N) | LOCATION AND SITING: R649-2-3. Unit R649-3-2. General |
| | Lite (05-31-05) Live Csg and 4'6" prod. Gsg. cont back to Surface RASIS |



Cisco Townsite Well cementing

Clint Devorshak Petroleum Engineer

Cementing procedure

Cement the long string with 73 sx Class 600 feet from TD

Surface string:

120 feet surface 8 5/8 casing cemented with 40 sx class G cement

Slurry yield

1.15 cu.ft/sx

COLORADO-UTAH NATURAL GAS, INC. 140 WEST 9000 SOUTH, SUITE 9 SANDY, UTAH 84070

STATE OF UTAH NATURAL RESOURCES DEPARTMENT DIVISION OF OIL, GAS, AND MINING RECEIVED

APR 2 0 2005

DIV. OF OIL, GAS & MINING

APRIL 20, 2005

RE: NEW SURVEYS

TO HIS MAY CONCERN:

ATTACHED PLEASE FIND THREE SURVEYS ATTACHED FOR THE 24-21-23-2A, 24-21-23-5A, AND 24-21-23-4A. THESE NEW SURVEYS REFLECT CHANGES NECESSARY BECAUSE OF TOPOGRAPHICAL PROBLEMS.

ANY OTHER CHANGES THAT RESULTED DUE TO THE SURVEY CHANGES HAVE BEEN INCLUDED, SPECIFICALLY THE ACCESS ROUTE TO THE 24-21-23-2A LOCATION.

INSOFAR AS THE LEASE LINE IMPINGEMENT CAUSED BY THE LOCATION OF THE 24-21-23-24A IS CONCERNED, THE MINERAL LEASE IMMEDIATELY TO THE NORTH IS OWNED AND OPERATED BY COLORADO-UTAH NATURAL GAS, INC., AND THEREFORE NO OTHER INDIVIDUALS WITH ANY FINANCIAL OR RESERVE OWNERSHIP IS AFFECTED..

RESPECTFULLY SUBMITTED

DEAN H. CHRISTENSEN

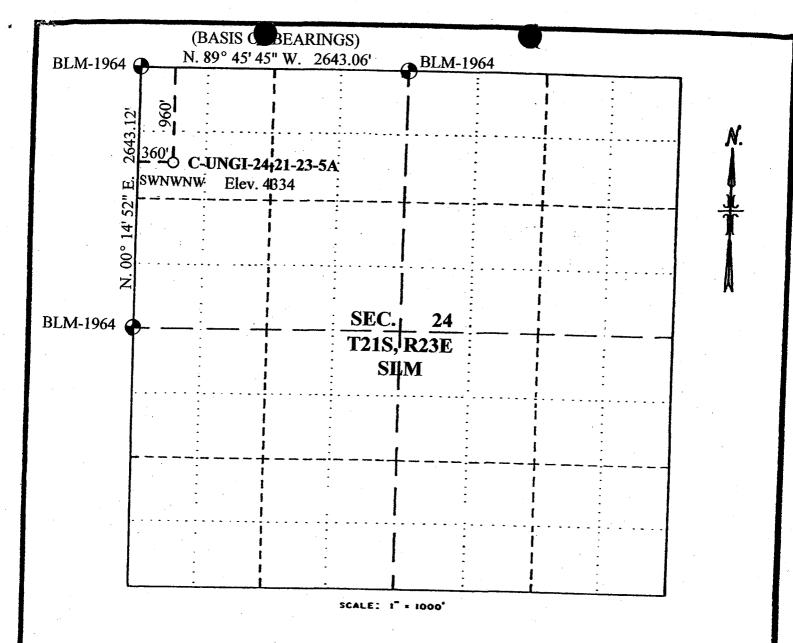
PRESIDENT 801-554-2021

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT [

| | | · | | 1 | | ML-48933 (highlig | ıht changes) |
|--------------------------|--|--------------------------|-----------------------|---------------------------|----------|--|-------------------|
| | APPLICATION FO | R PERMIT T | O DRILL | | | 5. MINERAL LEASE NO: | 6. SURFACE: |
| 1A. TYPE OF V | WORK: DRILL X REENTER | DEEPEN | 1 🗆 | | | 7. IF INDIAN, ALLOTTEE OR | TRIBE NAME: |
| B. TYPE OF W | OHILK_ | SII | NGLE ZONE [| MULTIPLE ZO | NE X | 8. UNIT or CA AGREEMENT | NAME: |
| 2. NAME OF OI | COLORADO - UTAH NAT | URAL GAS, INC | 75 | | • | 9. WELL NAME and NUMBER | 27 -73e |
| 3. ADDRESS O 140 WEST | 9000 SOUTH SANDY UT | AH 84070 | | PHONE NUMBER: 775-240-076 | 9 | 10. FIELD AND POOL, OR W | II DCAT: |
| AT SURFACE | OF WELL (FOOTAGES) 960 FNL SAME 6 | 44654X | 38.969 | 805 | | GREATER CISC 11. QTR/QTR, SECTION, TOV MERIDIAN: Sec 2 | WNSHIP, RANGE, |
| | IN MILES AND DIRECTION FROM NEAREST TOWN OF | 13145444 | 109.3 | 30277 | | T21S, R23E, SL | |
| | CISCO, UTAH 84515 | RPOST OFFICE: | | | | 12. COUNTY: GRAND | 13. STATE: UTA |
| | TO NEAREST PROPERTY OR LEASE LINE (FEET). 360^{\prime} | 16. NUMBER O | FACRES IN LEAS 400 | SE: | 17. NU | MBER OF ACRES ASSIGNED 10 ACRES | TO THIS WELL: |
| APPLIED FO | O NEAREST WELL (DRILLING, COMPLETED, OR R) ON THIS LEASE (FEET) + 24 | 19. PROPOSED | | | 20. BO | ND DESCRIPTION: | |
| 21. ELEVATIONS | S (SHOW WHETHER DF, RT, GR, ETC.): 4334 Gr | | OON AS AP | · · | 23. EST | IMATED DURATION: 4 DAYS | |
| 24. | | OSED CASING AI | ND CEMENT | ING PROGRAM | <u> </u> | | |
| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH . | | | | ELD, AND SLURRY WEIGHT | |
| 12 | 8 5/8" J-55 26# | 120' | CE | MENTED TO ST | URFAC | Œ | |
| 63/4" | 4 1/2" LIMITED SERVICE | TOTAL DEPTH | CEN | MENTED TO SU | PEAC | E/ | |
| | | | - | | TEP AC | | |
| | | | <u> </u> | · | | | |
| | | | | | | | |
| | | | | | | BEOGL | |
| 5. | | ATTAC | HMENTS | | | APR 20 | VED |
| ERIFY THE FOLL | LOWING ARE ATTACHED IN ACCORDANCE WITH THE | UTAH OIL AND GAS CO | NSERVATION GE | NERAL RULES: | | APR 2 0 | 2005 |
| | AT OR MAP PREPARED BY LICENSED SURVEYOR OR | | СОМР | LETE DRILLING PLAN | , | DIV. OF OIL, GAS | & MINING |
| EVIDENCE | E OF DIVISION OF WATER RIGHTS APPROVAL FOR U | SE OF WATER | FORM | 5, IF OPERATOR IS PER | SON OR C | OMPANY OTHER THAN THE L | .EASE OWNER ` |
| IAME (PLEASE PI | DEAN H. CHRIST | ENSEN | TITLE | PRE | ŞIDI | ENT | |
| IGNATURE | Heanth | £ | DATE | 4/18/1 | 25 | | |
| s space for State | e use only) | ed by the livision of | | | | | |
| 112-01 | A 2(L) Toil, Gas | and Mining | | | • | | |

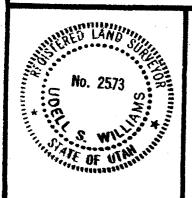
PI NUMBER ASSIGNED:



C-UNGI-24-21-23-5A

Located 960 feet FNL and 360 feet FWL in Section 24, T21S, R23E, SLM.

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.





UDELL S. WILLIAMS

Professional Land Surveyor 449 E. Scenic Dr. Grand Junction, CO 81503-1569

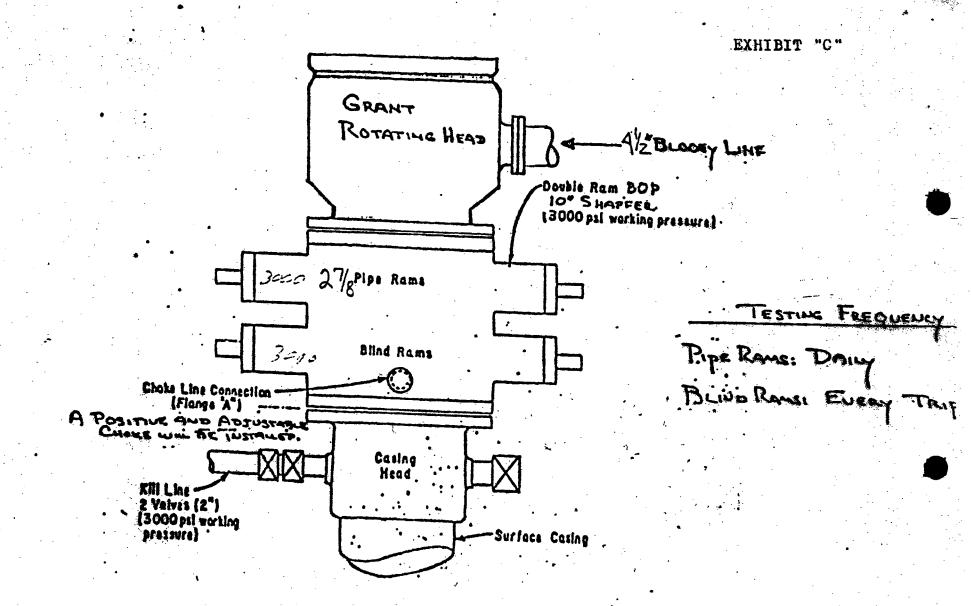
PLAT OF PROPOSED LOCATION C-UNGI-24-21-23-5A

SWNWNW SECTION 24 T21S, R23E, SLM

 SURVEYED BY:
 USW DATE:
 3/18/2005

 DRAWN BY:
 USW DATE:
 3/19/2005

EXHIBIT "C" BOP SCHEMATIC



API NUMBERS

| WELL NAME/NUMBER | API NUMBER |
|-----------------------|--------------|
| 1. 14-21-23-1 | 43-019-31450 |
| 2. 14-21-23-2 | 43-019-41451 |
| √3. 24-21-23-5 | 43-019-31417 |
| 4. 24-21-23-2A | 43-019-31418 |
| 5. 24-21-23-4A | 43-019-31419 |
| 6. 24-21-23-7 | 43-019-31420 |

OPERATOR NUMBER: N-2765

COLORADO-UTAH NATURAL GAS, INC.

RECEIVED MAY 1 0 2005

DIV. OF OIL, GAS & MINING

ON-SITE PREDRILL EVALUATION Division of Oil, Gas and Mining

OPERATOR: Colorado-Utah Natural Gas, Inc.

WELL NAME & NUMBER: C-UNGI-24-21-23-5A

API NUMBER: 43-019-31417

LEASE: State FIELD/UNIT: Greater Cisco

LOCATION: 1/4,1/4 NWNW Sec: 24 TWP: 21S RNG: 23E 960 FNL 360 FWL LEGAL WELL SITING: F SEC. LINE; F 1/4,1/4 LINE; F ANOTHER WELL.

GPS COORD (UTM): X =644664 E; Y =4314560 N SURFACE OWNER: SITLA

PARTICIPANTS

Bart Kettle(DOGM), and Dean Christensen (Colorado-Utah Natural Gas, Inc.) Invited but choosing not to attend Chris Colt (DWR), Ed Bonner (SITLA) and Mary Hofhine (Grand County).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is less than one mile from the town of Cisco, Grand County Utah. The proposed location is on flat ground between I-70 and the Union Pacific railroad tracks in a 6-8" precept zone. Salt scrub rangelands and Mancos clay flats surround the well site. Topography immediately adjacent to the well is predominantly rolling clay hills cut by many small gullies. Water drainage is to the southeast entering the Colorado River within 10 miles. There where no perennial streams or springs observed in close proximity to the location. Drainages in the immediate area are ephemeral in nature, being dry throughout the warmer months of the year.

SURFACE USE PLAN

CURRENT SURFACE USE: <u>Winter cattle grazing</u>, <u>wildlife habitat</u>, <u>seasonal</u> recreation, oil and gas development.

PROPOSED SURFACE DISTURBANCE: 250' x 200'

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Many Plugged and Abandoned wells. Producing wells: Vandover Fee #2, Whyte State #2 and Gibralter #1. Shut-in wells: Petro-X 23-1 and Nuggett 14-4.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: <u>Production facilities</u> such as separators, dehydrators and tanks will be shared with the C-UNGI-24-21-23-7.

SOURCE OF CONSTRUCTION MATERIAL: On-site

ANCILLARY FACILITIES: None required

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Drilling at this location is not expected to generate significant public concern. The closest residence are located ~1 mile away in Cisco, ½ the residence of Cisco will be involved in the drilling of this well. Drilling rig will be visible from I-70, but

drilling in this at this location typically desn't generate significant comment from the general public.

WASTE MANAGEMENT PLAN:

Garbage and other trash will be contained in an acceptable trash container. Refuse will be transported to an approved sanitary landfill.

Reserve pit will be fenced on three sides prior to use and on the forth side upon removal of drilling rig. Drill cuttings will be constrained in the reserve pit. Produced liquid hydrocarbons will be constrained in test tanks during completion and testing.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: No floodplains or wetlands will be affected by the drilling of this well.

FLORA/FAUNA: Pronghorn antelope, rabbits, prairie dogs, songbirds, raptors, rodents, snakes and lizards.

Grasses: None. Forbs: Halageton, Russian thistle, yellow flixweed, and bur buttercup. Shrubs: None. Trees: None.

SOIL TYPE AND CHARACTERISTICS: Light gray Clay loam.

SURFACE FORMATION & CHARACTERISTICS: <u>Mancos-predominantly very fine</u> deposited soils at this location. Soils are erosive in nature due to lack of litter/vegetation over entire surface area.

EROSION/SEDIMENTATION/STABILITY: Fine soils prone to wind and water erosion when disturbed. Excessive sedimentation and erosion above current rate is not expected.

PALEONTOLOGICAL POTENTIAL: None noted

RESERVE PIT

CHARACTERISTICS: 60'x50'

LINER REQUIREMENTS (Site Ranking Form attached): Liner Not Required

SURFACE RESTORATION/RECLAMATION PLAN

Back-filling, leveling and re-contouring will be accomplished after the completion of drilling operations if the well is plugged. If the well is a commercial well the production facilities, including under ground piping to central battery, will be completed and the unused portions of the location will be leveled and replanted. Seeding will be completed during the fall period to insure the best growth potential.

SURFACE AGREEMENT: As per SITLA mineral lease.

CULTURAL RESOURCES/ARCHAEOLOGY: None observed.

OTHER OBSERVATIONS/COMPANTS

Initial on-site conducted January 13, 2005, second visit required on May 31, 2005.

ATTACHMENTS

| Photos of this location were | taken and placed on file. | |
|------------------------------|---------------------------|--|
| Bart Kettle | June 7, 2005, 9:44 | |
| DOGM REPRESENTATIVE | DATE/TIME | |

| Site-Specific Factors | Ranking | Site Ranking |
|--|--------------------------|--------------|
| Distance to Groundwater (feet) >200 100 to 200 75 to 100 25 to 75 <25 or recharge area | 0 5 10 15 20 | 0 |
| Distance to Surf. Water (feet) | | |
| >1000 300 to 1000 200 to 300 100 to 200 < 100 | 0 2 10 15 20 | 0 |
| Distance to Nearest Municipal Well (feet) | | |
| >5280 1320 to 5280 500 to 1320 <500 | 0 5 10 20 | 0 |
| Distance to Other Wells (feet) >1320 | 0 | |
| 300 to 1320 <300 | 10 20 | 0 |
| Native Soil Type Low permeability Mod. permeability High permeability | 0 10 20 | 0 |
| Fluid Type Air/mist Fresh Water | 0 5 | |
| TDS >5000 and <10000 TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents | 10 15 20 | 5 |
| Drill Cuttings | 20 | |
| Normal Rock Salt or detrimental | 0 10 | 0 |
| Annual Precipitation (inches) <10 10 to 20 >20 | 0 5 10 | 0 |
| Affected Populations | | |
| <10 10 to 30 30 to 50 >50 | 0 6 8 10 | 0 |
| Presence of Nearby Utility Conduits | | |
| Not Present Unknown Present | 0 10 15 | 0 |
| | | |

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use. Sensitivity Level II = 15-19; lining is discretionary.

____5 (Level ___III __Sensitivity)

Sensitivity Level III = below 15; no specific lining is required.

Final Score

DIVISION OF OIL, GAS AND MINING APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

| OPERATOR: | Colorado-Utah Natural Gas, Inc. | | |
|---------------------------|--|--|--|
| WELL NAME & NUMBER: | C-UNGI-24-21-23-5A | | |
| API NUMBER: | 43-019-31417 | | |
| LOCATION: 1/4,1/4 NWNW Se | c:24 TWP: 21S RNG: 23E 990 FNL 330 FWL | | |

Geology/Ground Water:

Significant volumes of high quality ground water are unlikely to be encountered in the bedrock at this location. A poorly to moderately permeable soil is likely to be developed on the Quaternary Alluvial Mud covering the Upper Portion of the Blue Gate Member of the Mancos Shale. One surface point-to-point water right has been filed on an area within a mile of the proposed well site. Water Rights' driller's logs in the Crescent Junction area record poor quality water (salty) and petroleum shows in sandstones (and even some shales) surprisingly close to the surface, in some instances, and well within the 1,500' to 2,500' specified in the water right filing. No well completion records exist for any well at the location of the water right. Possible aquifers, which might be encountered uphole, would include the Dakota Sandstone, the Buckhorn Conglomerate Member of the Cedar Mountain Formation and the Salt Wash Member of the Morrison Formation. These are also productive zones in the Greater Cisco Field. In the Thompson, Utah, area, the Dakota Sandstone was drilled at a depth between 1,700' and 1,800' in the midst of more uniform stratigraphy. The proposed casing and cementing program should adequately isolate any zones of fresh water that may be penetrated.

| Reviewer: | Christopher J. Kierst | Date | e: 6/10/2005 |
|-----------|-----------------------|------|--------------|
| | | | |

Surface:

On-site conducted January 13, 2005 and re-visited May 31, 2005. In attendance: Bart Kettle (DOGM), Dean Christensen (Colorado-Utah Natural Gas, Inc.), invited but choosing not to attend Chris Colt (DWR), Ed Bonner (SITLA) and Mary Hofhine (Grand County).

To assure that location does not become flooded diversion ditches/berms will be constructed on the northern portions of the location. Existing outhouse at property adjacent the lease may not be adequate, a chemical toilet facility will be required on the location. Regardless of recent grazing actively in the area, reserve pits will be fenced on all four side upon the removal of the drilling rig.

| Reviewer: Bart Kettle | Date : June 7, 2005 |
|-----------------------|----------------------------|
|-----------------------|----------------------------|

Conditions of Approval/Application for Permit to Drill:

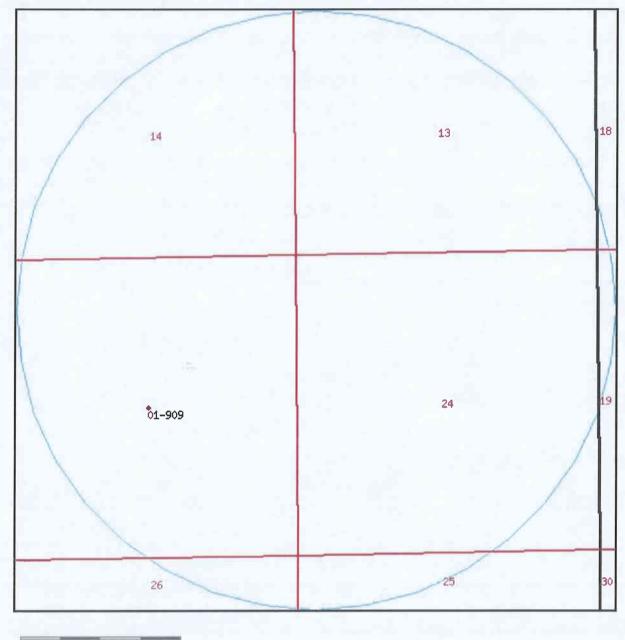
- 1. Place a chemical toilet on location.
- 2. Fence Reserve Pit on all four sides upon removal of drilling rig.



WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 06/10/2005 05:17 PM

Radius search of 5280 feet from a point S960 E360 from the NW corner, section 24, Township 21S, Range 23E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

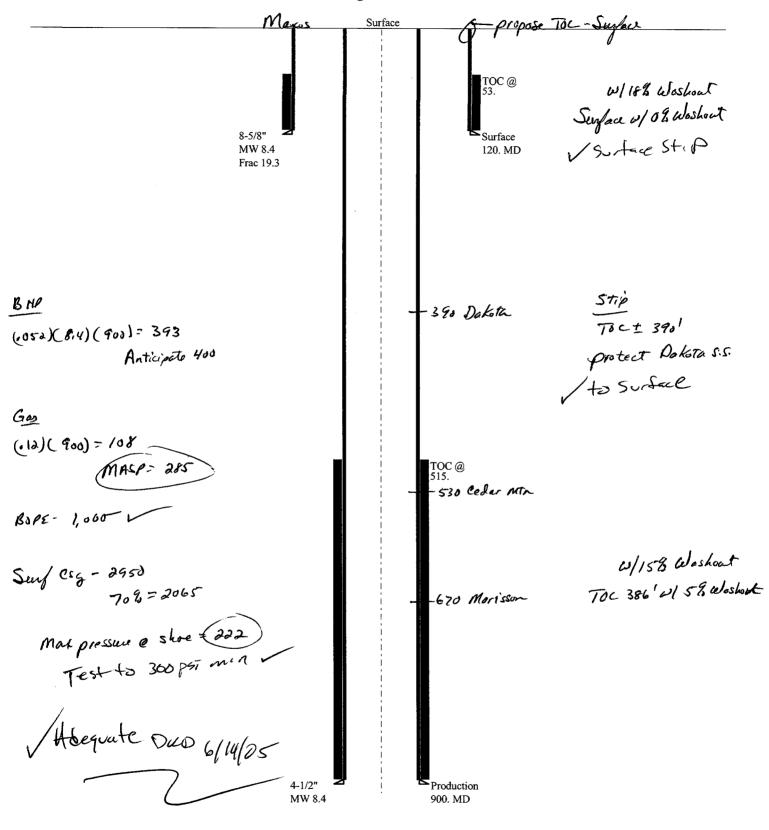
Water Rights

| WR Number | Diversion Type/Location | Well Log | Status | Priority | Uses | CFS ACFT | Owner Name |
|--------------|----------------------------|-------------|--------|----------|------|-------------|---|
| 01-909 | Point to Point | | P | 18790000 | OS | 0.015 0.000 | MOAB DISTRICT USA BUREAU OF LAND MANAGEMENT |
| | 0 0 23 21S 23E SL | | | | | | P.O. BOX 970 |

Natural Resources | Contact | Disclaimer | Privacy Policy | Accessibility Policy

06-05 C-UNG 24-21-23-

Casing Schematic



Well name:

06-05 C-UNG 24-21-23-5A

Operator:

Colorado-Utah Natural Gas. Inc.

String type:

Surface

Project ID:

43-019-31417

Location:

Grand County

Minimum design factors:

Environment:

Collapse

Mud weight:

Design parameters:

Collapse: Design factor H2S considered? Surface temperature:

No 65 °F

Design is based on evacuated pipe.

1.125

Bottom hole temperature: Temperature gradient:

67 °F 1.40 °F/100ft

Minimum section length:

120 ft

Bu<u>rst:</u>

Design factor

1.00

Cement top:

53 ft

Burst

Max anticipated surface

No backup mud specified.

pressure: Internal gradient: Calculated BHP

106 psi

8.400 ppg

0.120 psi/ft 120 psi

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J) **Buttress:** 1.60 (J) 1.50 (J)

Premium: Body yield:

1.50 (B)

Tension is based on buoyed weight. Neutral point:

105 ft

Re subsequent strings:

Non-directional string.

Next setting depth: Next mud weight: Next setting BHP:

900 ft 8.400 ppg 393 psi

Fracture mud wt: Fracture depth: Injection pressure 19.250 ppg 120 ft

120 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|------------|---------------------------|-------------------------------|-------------------------------|------------------------|----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| 1 | 120 | 8.625 | 24.00 | J-55 | ST&C | 120 | 120 | 7.972 | 5.8 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 52 | 1370 | 26.163 | 120 | 2950 | 24.58 | 3 | 244 | 96.95 J |

Prepared

Clinton Dworshak

Utah Div. of Oil & Mining

Phone: 801-538-5280 FAX: 810-359-3940

Date: June 13,2005 Salt Lake City, Utah

Collapse is based on a vertical depth of 120 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.



06-05 C-UNG 24-21-23-5A

Operator:

Colorado-Utah Natural Gas, Inc.

String type:

Production

Design is based on evacuated pipe.

Project ID:

43-019-31417

Location:

Collapse

Grand County

Minimum design factors:

Collapse: Design factor

Environment:

H2S considered? Surface temperature:

No 65 °F

Bottom hole temperature:

78 °F 1.40 °F/100ft

Temperature gradient: Minimum section length: 1,500 ft

Burst:

Design factor

1.00

1.125

Cement top:

515 ft

Burst

Max anticipated surface

No backup mud specified.

pressure:

285 psi

8.400 ppg

Internal gradient: Calculated BHP

Design parameters:

Mud weight:

0.120 psi/ft 393 psi

Tension:

8 Round STC:

1.80 (J) 8 Round LTC: 1.80 (J) 1.60 (J)

Buttress: Premium:

1.50 (J) 1.50 (B) Body yield:

Tension is based on buoyed weight. Neutral point: 785 ft

Non-directional string.

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|------------|----------------------------------|---------------------------------------|---------------------------------------|-------------------------------|------------------------------------|------------------------------------|--------------------------------|--------------------------------------|--|
| 1 | 900 | 4.5 | 9.50 | J-55 | ST&C | 900 | 900 | 3.965 | 17.3 |
| Run Seq | Collapse Load (psi) 393 | Collapse Strength (psi) 3310 | Collapse Design Factor 8.433 | Burst Load (psi) 393 | Burst Strength (psi) 4380 | Burst Design Factor 11.16 | Tension Load (Kips) 7 | Tension Strength (Kips) 101 | Tension Design Factor 13.54 J |

Prepared

Clinton Dworshak

Utah Div. of Oil & Mining

Phone: 801-538-5280

FAX: 810-359-3940

Date: June 13.2005 Salt Lake City, Utah

Collapse is based on a vertical depth of 900 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From:

Ed Bonner

To:

Whitney, Diana

Date:

6/22/2005 12:53:50 PM

Subject:

Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Colorado Utah Natural Gas Inc

CUNG 24-21-23-2

CUNG 24-21-23-4

CUNG 24-21-23-5

CUNG 24-21-23-7

If you have any questions regarding this matter please give me a call.

CC:

Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT Lieutenant Governor

June 27, 2005

Colorado-Utah Natural Gas, Inc. 140 West 9000 South Sandy, UT 84070

Re:

C-UNG-24-21-23-5A Well, 960' FNL, 360' FWL, NW NW, Sec. 24,

T. 21 South, R. 23 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31417.

Sincerely,

Gil Hunt

Acting Associate Director

pab Enclosures

cc:

Grand County Assessor

SITLA

| Operator: | Colorado-Utah Natural Gas, Inc. | | | | |
|--------------------|---------------------------------|--|--|--|--|
| Well Name & Number | C-UNG-24-21-23-5A | | | | |
| API Number: | 43-019-31417 | | | | |
| Lease: | ML-48933 | | | | |
| | | | | | |

Location: NW NW

Sec. 24

T. 21 South

R. 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 6. Cement volumes for the 8 5/8" surface casing and 4 ½" production casing strings shall be determined from actual hole diameters in order to place cement from the pipe setting depths back to the surface.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

| Name of Co | ompany: | COLOI | <u>RADO</u> | UTAH NAT | URAL GAS | |
|-----------------|---------------|----------------------------|-------------|------------|----------|---|
| Well Name: | | C-UNG | -24-21 | -23-5A | | |
| Api No <u>:</u> | 43-019-31 | 417 | L | ease Type: | STATE | |
| Section 24 | Township_ | 21S Range | 23E | _County | GRAND | |
| Drilling Co | ntractor | PROPETCO | | RIG # | | |
| SPUDDE | Date Time How | 08/09/05 5:00 PM DRY | | | | |
| | | | | | | _ |
| | | Signed | | | | |

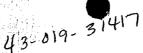
OPERATOR COLORADO STANDA WALGAS
ADDRESS 140 WEST 9000 SO -S-9
SANDY, UT 84070

DPERATOR ACCT. NO. 11 2765

| ACTION | CURRENT | NEW | Ans whence | | | | | | | | |
|-----------|--------------|----------------|---------------------------------------|--|----------|----------|----------|---------|--------------|--------------|---------------|
| CODE | ENTITY NO. | ENTITY NO. | AP! NUMBER | HELL NAME | 99 | SC | MELL | LOCATIO | COUNTY | SPUD DATE | EFFECTIVE |
| A | 99999 | 14866 | 43-019 31417 | 24-21-23-5a MRSN | NW | | 215 | 235 | Grand | | Stutos |
| IEI.L 1 C | OHMENTS: C | 301t. 1 | Wash - | MRSN | 170 10 | | | 1 | - 7000001 | mous | 8/11/05 |
| | 0 | succ i | | 7111-314 | | | | | | | |
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| ELL 3 C | INTHENTS: | 1 | | | Щ. | <u></u> | <u> </u> | | | | |
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| CI 4 P4 | MIKENTS: | | | | <u> </u> | <u> </u> | | | | | |
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| ELL 5 CO | nnenis: | | | | | | | | | | |
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| CŤUM CO | Wee (for la | e l must i nas | on back of form) | | | | | | Δ | 10 | \mathcal{A} |
| 1 - | Fatablich | naw wality | for any well tele- | gle well only) | | | | | Dean | Alhr | este- |
| č - | Re-assign | rell from o | ne existing entity | or unit well) y to another existing entity | | | | | Signature | 1 1 | |
| \$1 ·~ | v6-9221An | METT TOUR O | ments section) | y to a new entity | | | | | TILLEREN | dent | 10ac |
| NTE; Us | e COMMENT s | ection to e | xplain why each A | tion Code was selected. | | | | | Plione No. 8 | a. 554 | -120 B |
| 3/891 | | | • | | | | | | THOME HELD | HEU | EIVED |

AUG 1 1 2005

Colorado Utah Natural Gas, Inc.



September 14, 2005

Brad Hill State of Utah Department of Natural Resources Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, UT 84114-5801

RE: Exception to spacing order 102-16B

CUNG 24-23-21-5A Sec. 24 T21S R23 E Grand County, Utah

Dear Mr. Hill:

We had applied for and received an APD for the above well based upon the fact that the lease owners for Section 23 have a well located within 330 Feet west of our lease line. This well is violating our correlative rights, therefore we now request that our well which is already drilled pursuant to the APD issued by the State be given an exception to the rule to secure our correlative rights.

ราช สาราธิกรัฐสิทธิภัยที่ (พ.ศ. 1964) ค.ศ. 1966 (พ.ศ. 1966) พ.ศ. 1967 (พ.ศ. 1964) ค.ศ. 1967 (พ.ศ. 1964) ค.ศ. 1967 (พ.ศ. 1964) พ.ศ. 1967 (พ.ศ. 1964) ค.ศ. 1967 (พ.ศ. 1964) ค.ศ. 1967 (พ.ศ. 1964)

If you have any questions please call.

Sincerely,

Tariq Ahmad

Petroleum Engineer

Cc: Terry R. Spencer Esq General Counsel

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DIV. OF OIL, GAS & MINING

P.O. Box 18148 Reno, Nevada 89511 Phone: 775 324-2198 Fax: 775 851-1138

| • | | | S' PARTMEN ISION O | T OF N | | L RESC | | | | | | (hi | ghlight cl | IGNATION AND SE | FORM 8 |
|---------------------------------|--|-------------|--------------------------|--------------|------------|-----------------|----------------|-------------|---------------------------------------|--------------------------------|----------|---------------------------------------|---------------------|------------------------------|---|
| WELI | L COMP | LETIO | N OR | REC | OMPL | ETIC | N RE | EPOF | RT AND | LOG | | 6. 1 | FINDIAN, A | LLOTTEE OR TRI | BE NAME |
| 1a. TYPE OF WELL | | OIL WELL | V | GAS [| | DRY | j | ОТН | ER | | | 7. U | INIT or CA | AGREEMENT NAM | E |
| b. TYPE OF WORK NEW WELL | HORIZ. | DEEP- EN | | RE- ENTRY | | DIFF. RESVR. | <u>_ Cl</u> | ONE | LDEN | NTIAL | •• | | SWEE | and NUMBER: THEART 5/ | \ |
| 2. NAME OF OPERA COLORAL | | NATUR | AL GAS | , INC. | | | | | | | | | PI NUMBEI 430193 | | |
| 3. ADDRESS OF OF 140 W 9000 | S #9 | | SANDY | | STATE | UT | zip 840 |)70 | | NUMBER: 01) 566-1 | 884 | | | POOL, OR WILDO, TER CISCO | |
| 4. LOCATION OF W AT SURFACE: | 960 FNL 3 | 60 FWI | | | | | | | | | | | | 24 21S | SHIP, RANGE, |
| AT TOP PRODUC | | REPORTED | BELOW: | SAME | | | | | | | | 12. | COUNTY | 1 | 3. STATE UTAH |
| 14. DATE SPUDDED 8/12/2005 | | DATE T.D. R | | | E COMPL | | , | BANDON | IED 🗌 | READY TO F | PRODUC | : [] | | ATIONS (DF, RKB) | RT, GL): |
| 18. TOTAL DEPTH: | MD 806 TVD 806 | | 19. PLUC | 1 | D.: MD | 730 730 | | 20. IF | MULTIPLE C | OMPLETIONS | S, HOW I | MANY?* | 21. DEPT | H BRIDGE MD JG SET: | <u>, , , , , , , , , , , , , , , , , , , </u> |
| 22. TYPE ELECTRIC CND DIL GF | R CBL | | | ` | py of each |) | | | WAS DST | L CORED? RUN? NAL SURVEY | (? | NO NO NO | ☑ Y | ES (Subr | nit analysis) nit report) nit copy) |
| HOLE SIZE | SIZE/GRADE | <u> </u> | GHT (#/ft.) | · 1 | (MD) | вотто | M (MD) | | CEMENTER EPTH | CEMENT T | | SLU! VOLU M | RRY E (BBL) | CEMENT TOP ** | AMOUNT PULLED |
| 12 | 8 5/∩ J | 55 | 28 | | 0 | 13 | 35 | 1 | 135 | G | 60 | 5 | io | SURFACE | |
| 6 1/4 | 4 1/4 J | 55 | 9.5 | | 0 | 7: | 30 | 7 | 730 | G | 60 | 5 | 0 | 220 | |
| | | | | | | | | | | | | | | | |
| 25. TUBING RECOR | RD | | | <u>L</u> | | l | | L | | | | <u> </u> | 1 | | |
| SIZE | DEPTH SET | · · · · · | ACKER SET | MD) | SIZE | | DEPTH | SET (MD |) PACKE | R SET (MD) | | SIZE | DE | PTH SET (MD) | PACKER SET (MD) |
| 2 3/8 26. PRODUCING IN | 1 696 | | | L | | | | | 27 PERFO | RATION REC | OPD | · · · · · · · · · · · · · · · · · · · | | | · |
| FORMATION | | TOP (MD) | вотт | OM (MD) | TOP | (TVD) | BOTTO | VI (TVD) | | L (Top/Bot - N | | SIZE | NO. HOLE | S PERFOR | ATION STATUS |
| (A) MORRISC | ON | 700 | 7 | 32 | 7 | 00 | 73 | 32 | 706 | | 714 | | 16 | Open 🗸 | Squeezed |
| (B) | | | | | | | | | 718 | • | 728 | | 20 | Open 🔽 | Squeezed |
| (C) | | | | | | | | | | | | | | Ореп | Squeezed |
| (D) | | | | | <u> </u> | | | | | | | | | Open | Squeezed |
| 28. ACID, FRACTUR | - · · · · · · · · · · · · · · · · · · · | , CEMENT S | QUEEZE, E1 | c. | | | | | | | | | | , | |
| | NTERVAL | | | | | | | AM | OUNT AND T | YPE OF MAT | ERIAL | | | | |
| NONE | | | | | | | | | · · · · · · · · · · · · · · · · · · · | | | | | | |
| 29. ENCLOSED ATT | ACHMENTS. | | | | | | | | | | | | | 20. 115 | CTATIIC. |
| (-21 | RICAL/MECHANI | CAL LOGS | | - , | .= | | GEOLOGN | C REPOR | я <u>П</u> | DST REPORT | r [| DIREC | TIONAL SU | ID. (E) (| NOPL |

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| 31. INITIAL PRO | DUCTION | | | | INTE | ERVAL A (As sho | wn in Item #26) | | | | e de la companya de l |
|--|-----------------|--------------------|----------------|------------------|---------------------------------------|---------------------|-----------------------------|-----------------|---|-------------|--|
| 9/26/2005 | | TEST DAT 9/26/2 | | | HOURS TESTED | : | TEST PRODUCTION RATES: → | OIL - BBL: 28 | GAS - MCF: 150 | WATER - BBI | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS | CSG. PRE | | SRAVITY 38.00 | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTIO RATES: → | N OIL BBL: | GAS - MCF: | WATER - BBI | : INTERVAL STATU |
| | | | | | (NTI | ERVAL B (As sho | wn in item #26) | | | | |
| DATE FIRST PRO | ODUCED: | TEST DA | TE: | | HOURS TESTED | ţ | TEST PRODUCTION RATES: → | OIL - BBL: | GAS MCF: | WATER - BBI | .: PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS | CSG. PRI | ESS. API | GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTIO RATES: → | N OIL-BBL; | GAS - MICF: | WATER BBI | .: INTERVAL STATU |
| | | | | | INTI | ERVAL C (As sho | wn in item #26) | | - ^ · · · · · · · · · · · · · · · · · · | | |
| DATE FIRST PRO | ODUCED: | TEST DA | TE: | | HOURS TESTED | : | TEST PRODUCTION RATES: → | N OIL-BBL; | GAS MCF: | WATER - BBI | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS | CSG. PRI | ESS. API | GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTIO RATES: → | N OIL-BBL: | GAS - MICF: | WATER - BBI | : INTERVAL STATU |
| ······································ | | | | | INTI | ERVAL D (As sho | wn in Item #26) | | ·············· | | ········ 4 ···························· |
| DATE FIRST PRO | ODUCED: | TEST DA | TE: | | HOURS TESTED | | TEST PRODUCTION RATES: → | N OIL-BBL: | GAS MCF: | WATER - BBI | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS | CSG. PRI | ESS. API | GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTIO RATES: → | N OIL - BBL: | GAS M/CF: | WATER - BBI | .: INTERVAL STATU |
| 33. SUMMARY (Show all importar tested, cushion us | nt zones of pon | osity and conte | nts thereof: C | | ils and all drill-stem recoveries. | tests, including de | 1 | 34. FORMATION (| LOG) MARKERS. | | |
| Formatio | n | Top (MD) | Bottom (MD) | | Descript | ions, Contents, etc | . | | Name | | Top (Measured Depth) |
| DAKOTA S | SILT | 350 | 356 | SILT | GAS AT 3 | 50 SITP 25 | PSI | | | | |
| DAKOTA S | SAND | 526 | 558 | GAS | FLOW CLI | EAN SAND | SITP 300 | | | | |
| MORRISO | N | 700 | 740 | CLE | AN SAND (| SAS AND C | OIL FLOW | | | | |
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| 35. ADDITIONAL | L REMARKS (I | nclude pluggi | ng procedure | :) | | | | | | | |
| 35. ADDITIONAL | L REMARKS (I | nclude pluggi | ng procedure | e) | | | | | | | |
| | | (| | | omplete and corre | ct as determined | from all available red | cords. | | | |

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- · reentering a previously plugged and abandoned well

DATE

10/12/2005

- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests
- * ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to:

SIGNATURE

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Well Completion

SWEETHEART 5A

LOCATION: NE/4 SECTION 24, T21S, R23E

TOTAL DEPTH: 726'

SET PUMP AS FOLLOWS;

| 22 Joints 2 3/8" | ' Tubing | 696.45' |
|------------------|-----------|---------|
| 1. 32.8 | 12. 31.8 | |
| 2. 31.8 | 13. 31.50 | |
| 3. 31.55 | 14. 31.35 | |
| 4. 31.7 | 15. 31.55 | |
| 5. 31.65 | 16. 31.50 | |
| 6. 31.30 | 17. 31.60 | |
| 7. 31.75 | 18. 31.40 | |
| 8. 31.65 | 19. 31.70 | |
| 9. 31.8 | 20. 32.30 | |
| 10. 31.5 | 21. 31.70 | |
| 11. 31.55 | 22. 31.00 | |

Seating Nipple 6"

.50

Bottom of Pump 696.95

4' Perforated Joint

Rods 27 @ 25' 675'
Pump 8'
Polish Rod 12'
Pony Rod 4'

4 1/2" X 2 3/8" wellhead

2 - 2" 600 psi valves on wellhead

Pony rod on bottom just above pump. This will get rods out of well high enough to seat the pump and tie to the pump jack bridle.

















FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

| | DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 49833 |
|--|---|---|
| SUNDRY | NOTICES AND REPORTS ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill n drill horizontal la | ew wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or terals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL OIL WELL | | 8. WELL NAME and NUMBER: GUNG 24-21-23-5A |
| 2. NAME OF OPERATOR: | | 9. API NUMBER: |
| Colorado Utah Natural Ga 3. ADDRESS OF OPERATOR: | S, INC. | 4301931417 |
| | Salt Lake City STATE Ut SIP 84070 (801) 566-1884 | 10. FIELD AND POOL, OR WILDCAT: CREATER CISCO |
| 4. LOCATION OF WELL | | |
| FOOTAGES AT SURFACE: 960 FN | NL 360 FWL | COUNTY: GRAND |
| QTR/QTR, SECTION, TOWNSHIP, RAN | GE, MERIDIAN: NWNW 24 21S 23E S | STATE: UTAH |
| 11. CHECK APPF | ROPRIATE BOXES TO INDICATE NATURE OF NOTICE, RE | PORT, OR OTHER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| NOTICE OF INTENT | ACIDIZE DEEPEN | REPERFORATE CURRENT FORMATION |
| (Submit in Duplicate) | ALTER CASING FRACTURE TREAT | SIDETRACK TO REPAIR WELL |
| Approximate date work will start: | CASING REPAIR NEW CONSTRUCTION | TEMPORARILY ABANDON |
| | CHANGE TO PREVIOUS PLANS OPERATOR CHANGE | TUBING REPAIR |
| | CHANGE TUBING PLUG AND ABANDON | VENT OR FLARE |
| SUBSEQUENT REPORT (Submit Original Form Only) | CHANGE WELL NAME: PLUG BACK | WATER DISPOSAL |
| Date of work completion: | CHANGE WELL STATUS PRODUCTION (START/RESUME) | WATER SHUT-OFF |
| | COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE | OTHER: |
| | CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATI | ION |
| 12. DESCRIBE PROPOSED OR CO | MPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, vo | olumes, etc. |
| CHANGE WELL NAME FI | ROM CUNG 24-21-23-5A TO SWEETHEART NO. 5A | |
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| TADIO AL | DETPOLEUM | LENGINEED |
| NAME (PLEASE PRINT) TARIQ AF | # | IENGINEER |
| SIGNATURE | 104 DATE 9/15/2005 | |
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| | i | | PARTMENT OF NATURAL RESOURCES ISION OF OIL, GAS AND MINING | | | SE DESIGNATION AND SERIAL NUMBER: |
|-------|--|-----------------|--|--|----------|---------------------------------------|
| | SUNDRY | 'N | OTICES AND REPORTS ON WEL | LS | 6. IF II | IDIAN, ALLOTTEE OR TRIBE NAME: |
| Do r | not use this form for proposals to drill no drill horizontal la | ew we terals | ils, significantly deepen existing wells below current bottom-hole depti Use APPLICATION FOR PERMIT TO DRILL form for such proposal | h, reenter plugged wells, or to is. | 7. UNI | T or CA AGREEMENT NAME: |
| 1. TY | PE OF WELL OIL WELL | V | GAS WELL OTHER | | 1 | L NAME and NUMBER: VG 24-21-23-5A |
| | AME OF OPERATOR: | | | | 9. API | NUMBER: |
| | lorado Utah Natural Ga | s, Ir | | PHONE NUMBER: | | 1931417 LD AND POOL, OR WILDCAT: |
| | | , Sa | it Lake City _{STATE} Ut _{ZIP} 84070 | (801) 566-1884 | | EATER CISCO |
| FC | OCATION OF WELL OCTAGES AT SURFACE: 960 FN | | nampatanamagasia | | COUN | r: GRAND |
| Q1 | TR/QTR, SECTION, TOWNSHIP, RANG | GE, M | ERIDIAN: NWNW 24 21S 23E S | | STATE | : UTAH |
| 11. | CHECK APPR | ROF | PRIATE BOXES TO INDICATE NATURE (| OF NOTICE, REPO | RT, O | R OTHER DATA |
| - | TYPE OF SUBMISSION | | 1117/m TY | PE OF ACTION | | |
| | NOTICE OF INTENT | | ACIDIZE DEEPEN | | | REPERFORATE CURRENT FORMATION |
| | (Submit in Duplicate) | | ALTER CASING FRACTURE | | | SIDETRACK TO REPAIR WELL |
| | Approximate date work will start: | 닏 | CASING REPAIR NEW CONST | ! | 닏 | TEMPORARILY ABANDON |
| | | ഥ | CHANGE TO PREVIOUS PLANS OPERATOR | | 닏 | TUBING REPAIR |
| | OUDDEDUKKT DEDOOT | 낻 | CHANGE TUBING PLUG AND A | | 님 | VENT OR FLARE |
| Ш | SUBSEQUENT REPORT (Submit Original Form Only) | 焅 | CHANGE WELL NAME PLUG BACK | | 닏 | WATER DISPOSAL |
| | Date of work completion: | 닏 | entral de la companya | ON (START/RESUME) | 닠 | WATER SHUT-OFF |
| | | 片 | | ON OF WELL SITE TE - DIFFERENT FORMATION | | OTHER: |
| ···· | | | | • | | |
| | | | ETED OPERATIONS. Clearly show all pertinent details incl | | es, etc. | |
| CH | IANGE WELL NAME F | ROI | M CUNG 24-21-23-5A TO SWEETHEART | NO. 5A | | , |
| | | | | • | | |
| | | | e de la companie de l | | | |
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| | TADIO ALI | 18.6.0 | | DETROUGUNG | JOINT | · · · · · · · · · · · · · · · · · · · |
| NAM | E (PLEASE PRINT) TARIQ AH | IIVI <i>P</i> | IITLE | PETROLEUM EN | NGINE | :EK |
| SIGN | ATURE | لل | y DATE | 9/15/2005 | | |

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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

| | DIVISION OF OIL, GAS AND MINING | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 49833 |
|---|---|--|
| SUNDR | Y NOTICES AND REPORTS ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill drill horizontal | new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL OIL WELL | GAS WELL OTHER | 8. WELL NAME and NUMBER: SWEETHEART NO 5A |
| 2. NAME OF OPERATOR: Colorado Utah Natural G | as, Inc. | 9. API NUMBER: 4301931417 |
| | PHONE NUMBER: (801) 566-1884 | 10. FIELD AND POOL, OR WILDCAT: GREATER CISCO |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 960 F | NL 360 FWL | COUNTY: GRAND |
| QTR/QTR, SECTION, TOWNSHIP, RA | NGE, MERIDIAN: NWNW 24 21S 23E S | STATE: UTAH |
| 11. CHECK APP | ROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO | RT, OR OTHER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: | ACIDIZE DEEPEN ALTER CASING FRACTURE TREAT CASING REPAIR NEW CONSTRUCTION CHANGE TO PREVIOUS PLANS OPERATOR CHANGE | REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON TUBING REPAIR |
| SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: | CHANGE TUBING PLUG AND ABANDON CHANGE WELL NAME PRODUCTION (START/RESUME) COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION | VENT OR FLAREWATER DISPOSALWATER SHUT-OFF✓ OTHER: |
| | OMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, v olume S FROM OIL WELL TO NATURAL GAS WELL. | ss, etc. |
| , | | |
| | | |
| | | The common was also also a second |
| | CCPYS | I O OPERATOR 1-31-06 CHO |
| NAME (DI EASE DRINT) TARIQ A | HMAD \ PETROLEUM EN | VGINEER |
| NAME (PLEASE PRINT) SIGNATURE | With Almor DATE ///// PETROLEUM EN | TOINTEEN TO THE TOTAL THE TOTAL TO THE TOTAL THE TOTAL TO THE TOTAL TH |
| (This space for State use only) | | ECTIVED |
| THIS SUNDRY IS BEING F | RETURNED; INSUFFICIENT DATA WAS SUBMITTED TO APPROV | E THE REQUESTED ACTION. DV 1 5 2005 |

(5/2000)

(See Instructions on Reverse Size) White Case and Mining Utah Division of Oil, Gas and Mining

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: L 48933 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: **SUNDRY NOTICES AND REPORTS ON WELLS** 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 8. WELL NAME and NUMBER: 1. TYPE OF WELL OIL WELL 🗹 GAS WELL OTHER **SWEETHEART 5A** 9. API NUMBER: 2. NAME OF OPERATOR: COLORADO UTAH NATURAL GAS, INC 4301931417 PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: 3. ADDRESS OF OPERATOR: **GREATER CISCO** CITY SANDY STATE UT ZIP 84070 (801) 566-1884 140 W. 9000 S #\$9 4. LOCATION OF WELL COUNTY: GRAND FOOTAGES AT SURFACE: 960 FNL 360FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 24 21S 23E S STATE: **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF ACTION TYPE OF SUBMISSION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION NOTICE OF INTENT FRACTURE TREAT SIDETRACK TO REPAIR WELL (Submit in Duplicate) ALTER CASING Approximate date work will start: NEW CONSTRUCTION TEMPORARILY ABANDON CASING REPAIR OPERATOR CHANGE TUBING REPAIR CHANGE TO PREVIOUS PLANS VENT OR FLARE PLUG AND ABANDON **CHANGE TUBING** V WATER DISPOSAL SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK (Submit Original Form Only) WATER SHUT-OFF PRODUCTION (START/RESUME) CHANGE WELL STATUS Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: 12/13/2005 RECOMPLETE - DIFFERENT FORMATION CONVERT WELL TYPE 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. INSTALLED CAST IRON BRIDGE PLUG AT 716 FEET TO SHUT OF LOWER WATER ZONE IN LOWER MORRISON **FORMATION** ACIDIZED DAKETA 250 Gallers 15 % HICL

| NAME (PLEASE PRINT) TARIQ AHMAD | TITLE PETROLEUM ENGINEER |
|---------------------------------|--------------------------|
| SIGNATURE | DATE 4442006 5/5/06 |
| (This space for State use only) | |

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MAY 0 8 2006

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL. GAS AND MINING

| ι | DIVISION OF OIL, GAS AND MINING | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 49833 |
|---|--|---|--|
| SUNDRY | NOTICES AND REPORTS ON | WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| Do not use this form for proposals to drill ne | ew wells, significantly deepen existing wells below current bottor erals. Use APPLICATION FOR PERMIT TO DRILL form for su | m-hole depth, reenter plugged wells, or to ch proposals. | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL OIL WELL | GAS WELL OTHER | P | 8. WELL NAME and NUMBER: SWEETHEART NO 5A |
| 2. NAME OF OPERATOR: | | | 9. API NUMBER: |
| Colorado Utah Natural Ga | s, Inc | | 4301931417 |
| 3. ADDRESS OF OPERATOR: 140 West 9000 South CITY | Sandy STATE UT ZIP 84070 | PHONE NUMBER: (801) 566-1884 | 10. FIELD AND POOL, OR WILDCAT: Greater Cisco |
| 4. LOCATION OF WELL | | | |
| FOOTAGES AT SURFACE: 960 FN | IL 360 FWL | | COUNTY: GRAND |
| QTR/QTR, SECTION, TOWNSHIP, RANG | GE MERIDIAN: NWNW 24 21S 23E | | STATE: UTAH |
| OUEOK ADDE | ODDIATE DOVED TO INDICATE NA | TUDE OF NOTICE DEPO | |
| | OPRIATE BOXES TO INDICATE NAT | | RI, OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF ACTION | |
| □ NOTICE OF INTENT | ACIDIZE U | DEEPEN | REPERFORATE CURRENT FORMATION |
| (Submit in Duplicate) | ALTER CASING FI | RACTURE TREAT | SIDETRACK TO REPAIR WELL |
| Approximate date work will start: | CASING REPAIR N | IEW CONSTRUCTION | TEMPORARILY ABANDON |
| | CHANGE TO PREVIOUS PLANS | PERATOR CHANGE | TUBING REPAIR |
| | CHANGE TUBING P | LUG AND ABANDON | VENT OR FLARE |
| SUBSEQUENT REPORT | CHANGE WELL NAME P | LUG BACK | WATER DISPOSAL |
| (Submit Original Form Only) | CHANGE WELL STATUS P | RODUCTION (START/RESUME) | WATER SHUT-OFF |
| Date of work completion: | COMMINGLE PRODUCING FORMATIONS R | ECLAMATION OF WELL SITE | OTHER: RESET PUMP |
| | CONVERT WELL TYPE | ECOMPLETE - DIFFERENT FORMATION | |
| 12. DESCRIBE PROPOSED OR CO | MPLETED OPERATIONS. Clearly show all pertinent | details including dates, depths, volume | s, etc. |
| 9/15/07 PULLED 27 ROD | S, 2 PONY RODS 4 FT EACH, 8 FOO | T PUMP | |
| | S 6 JOINTS FROM SURFACE, 541 A | | |
| | TBG HAD OIL ON THE 6TH JOINT. F | REMOVED 3 JOINTS TUBI | NG. |
| | SET TUBING AT 600.4 FEET. | | |
| RIH WITH 23 RODS, 8 FT PUMP SET 106 FEET ABO | | | |
| | DUCTION AT 6 PM SEPT 15, 2007 | | |
| LAGES WELL ON THOS | 70011011711 01 101 021 1 10, 2007 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| NAME (DI EASE DRINT) TARIQ AH | MÀD | PETROLEUM EN | GINEER |
| TANKE (FLEXE FIXINT) | | | |
| SIGNATUREW | WHT I | | |

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(This space for State use only)

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

| ROUTING |
|---------|
| 1. DKD |
| 2. CDW |

X - Change of Operator (Well Sold)

Operator Name Change/Merger

| The operator of the well(s) listed below has char | nged, effec | - F 2-4 | 2/26/2007 | | | | | | |
|--|--|-------------------------------|-----------------------|-------------------|--------------------------|---------|------------|--|--|
| FROM: (Old Operator): | | TO: (New O | perator): | | | | | | |
| N2765-Colorado-Utah Natural Gas Inc | | N7655-Pacific Energy & Mining | | | | | | | |
| 9000 S, Suite | | 1 | issar St, Sui | - | | | | | |
| Sandy, UT 84070 | | | 1 | NV 89502 | | | | | |
| Phone: 1 (801) 554-2021 | | Phone: 1 (775) | 852-7444 | | | | | | |
| CA No. | | | Unit: | | | | | | |
| WELL NAME | SEC TV | VN RNO | GAPI NO | | LEASE TYPE | | WELL | | |
| SEE ATTACHED LIST | | | | NO | | TYPE | STATUS | | |
| SEE ATTACHED DIST | - - - | | 1 | <u></u> | | <u></u> | <u>.L_</u> | | |
| OPERATOR CHANGES DOCUMENT | ATION | | | | | | | | |
| Enter date after each listed item is completed | | | | | | | | | |
| 1. (R649-8-10) Sundry or legal documentation w | as receive | d from th | e FORMER ope | erator on: | 3/9/2007 | | | | |
| 2. (R649-8-10) Sundry or legal documentation w | as receive | d from th | e NEW operator | r on: | 3/9/2007 | • | | | |
| 3. The new company was checked on the Depart | ment of C | Commerc | e, Division of C | orporation | s Database on: | • | 3/12/2007 | | |
| 4a. Is the new operator registered in the State of | Utah: | _ | Business Numl | ber: | 5977241-0143 | _ | | | |
| 4b. If NO , the operator was contacted contacted | on: | | _ | | | • | | | |
| 5a. (R649-9-2)Waste Management Plan has been re | eceived or | ı: | IN PLACE | _ | | | | | |
| 5b. Inspections of LA PA state/fee well sites comp | lete on: | | n/a | _ | | | | | |
| 5c. Reports current for Production/Disposition & S | Sundries o | n: | ok | _ | | | | | |
| 6. Federal and Indian Lease Wells: The Bl | LM and or | the BIA | has approved the | – e merger, na | ame change, | | | | |
| or operator change for all wells listed on Feder | | | | BLM | _ | BIA | _ | | |
| 7. Federal and Indian Units: | | | | | _ | _ | _ | | |
| The BLM or BIA has approved the successo | r of unit o | perator f | or wells listed on | ı: | | _ | | | |
| 8. Federal and Indian Communization Ag | greement | s ("CA | "): | | | | | | |
| The BLM or BIA has approved the operator | | | | | | - | | | |
| 9. Underground Injection Control ("UIC" | ") | The I | Division has appro | oved UIC F | form 5, Transfer | of Auth | ority to | | |
| Inject, for the enhanced/secondary recovery us | nit/project | for the v | vater disposal we | ell(s) listed o | on: | | _ | | |
| DATA ENTRY: | | | | | | | | | |
| 1. Changes entered in the Oil and Gas Database | | | 9/27/2007 | _ | 0.10=12== | | | | |
| 2. Changes have been entered on the Monthly O | perator C | Change S | - | ; | 9/27/2007 | - | | | |
| 3. Bond information entered in RBDMS on:4. Fee/State wells attached to bond in RBDMS or | n· | | 9/27/2007 | _ | | | | | |
| 4. Fee/State wells attached to bond in RBDMS of5. Injection Projects to new operator in RBDMS | | | 312112001 | | | | | | |
| 6. Receipt of Acceptance of Drilling Procedures | | Vew on: | | - 9/27/2007 | , | | | | |
| BOND VERIFICATION: | | | | | _ | | | | |
| Federal well(s) covered by Bond Number: | | | | | | | | | |
| 2. Indian well(s) covered by Bond Number: | | | | - - | | | | | |
| 3a. (R649-3-1) The NEW operator of any fee we | ll(s) listed | covered | by Bond Number | er | 763751318 and 3344341 | | | | |
| 3b. The FORMER operator has requested a release | se of liabil | ity from | their bond on: | * | and 3344341 | • | | | |
| The Division sent response by letter on: | | , 110111 | | _ | - | | | | |
| LEASE INTEREST OWNER NOTIFIC | CATION | V: | | | | | | | |
| 4. (R649-2-10) The NEW operator of the fee well | | | ed and informed b | by a letter fr | om the Division | | | | |
| of their responsibility to notify all interest owner | | | | 2/20/2008 | | | | | |
| COMMENTS: *Colorado-Utah's CDs were rol | led by the | hank to | Pacific Energy | v's CDs | | | | | |

| | STATE OF UTAH DEPARTMENT OF NATURAL RESOUR | DCES | FORM 9 |
|--|--|--|---|
|] | DIVISION OF OIL, GAS AND MI | | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| SUNDRY | NOTICES AND REPORTS | S ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | ew wells, significantly deepen existing wells below cun terals. Use APPLICATION FOR PERMIT TO DRILL fo | | 7. UNIT or CA AGREEMENT NAME: |
| 1. TYPE OF WELL OIL WELL | GAS WELL OTHER_ | | 8. WELL NAME and NUMBER: See below |
| 2. NAME OF OPERATOR: Pacific Energy & Mining Co | ompany <i>N 7655</i> | | 9. API NUMBER: |
| | , Reno STATE NV ZIP | 89502 PHONE NUMBER: (775) 852-7444 | 10. FIELD AND POOL, OR WILDCAT: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: | | | COUNTY: Grand |
| QTR/QTR, SECTION, TOWNSHIP, RANG | GE, MERIDIAN: | | STATE: UTAH |
| 11. CHECK APPR | ROPRIATE BOXES TO INDICAT | E NATURE OF NOTICE, REPOI | RT, OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF ACTION | |
| NOTICE OF INTENT | ACIDIZE | DEEPEN | REPERFORATE CURRENT FORMATION |
| (Submit in Duplicate) | ALTER CASING | FRACTURE TREAT | SIDETRACK TO REPAIR WELL |
| Approximate date work will start: | CASING REPAIR | NEW CONSTRUCTION | TEMPORARILY ABANDON |
| | CHANGE TO PREVIOUS PLANS | ✓ OPERATOR CHANGE | TUBING REPAIR |
| | CHANGE TUBING | PLUG AND ABANDON | VENT OR FLARE |
| SUBSEQUENT REPORT (Submit Original Form Only) | CHANGE WELL NAME | PLUG BACK | WATER DISPOSAL |
| Date of work completion: | CHANGE WELL STATUS | PRODUCTION (START/RESUME) | WATER SHUT-OFF |
| Date of work completion. | COMMINGLE PRODUCING FORMATIONS | RECLAMATION OF WELL SITE | OTHER: |
| | CONVERT WELL TYPE | RECOMPLETE - DIFFERENT FORMATION | |
| 12. DESCRIBE PROPOSED OR CO | DMPLETED OPERATIONS. Clearly show all p | ertinent details including dates, depths, volume | es, etc. |
| Change of operator for the | e following wells: 13 effection 14 21 | tive 2/26/07 | |
| Whyte Stae 2 API Sweetheart 5A API Sweetheart 2A API Sweetheart 7 API Sweetheart 14-02 API C-UNGI 14-21-23-1 API | I No 430193423 Section 14 21 I No 4301931417 Section 24 21 I No 4301931418 Section 24 21 I No 4310931420 Section 24 27 I No 4301931451 Section 14 21 I No 4301931450 Section 14 21 I No 4301931450 Section 14 21 | S 23E Grand County, Utah S 23E Grand County, Utah S 23E Grand County, Utah | Bond 76385/292 NAME IS 14-01 |
| - A | ch NATURAL GAS | | - |
| I Dian | 2 Churt | (*)authoria | zed 9/27/07 by DHC and TA |
| LITTLE BOY 1 API | ЙО 43-019-31459 SECT | ION 24 21 S 23E GRAND CO | OUNTY, UTAH(*) |

Vice President

2/26/2007

(This space for State use only)

SIGNATURE

NAME (PLEASE PRINT) Tariq Ahmad

11.

/ Nugget 14-4

2 - Whyte Stae 2

3 - Sweetheart 5A 4 - Sweetheart 2A

5 Sweetheart 7

8-LITTLE BOY 2

7 - C-UNGI 14-21-23-1

Earlene Russell, Engineering Technician

Division of Oil, Gas and Mining

(See Instructions on Reverse Side)

RECEIVED MAR 0 9 2007

Sundry Number: 37787 API Well Number: 43019314170000

| | STATE OF UTAH | | FORM 9 | | |
|--|--|---|---|--|--|
| ι | DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | 3 | 5.LEASE DESIGNATION AND SERIAL NUMBER: ML-48933 | | |
| SUNDR | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | | |
| Do not use this form for pro current bottom-hole depth, r FOR PERMIT TO DRILL form | 7.UNIT or CA AGREEMENT NAME: | | | | |
| 1. TYPE OF WELL Oil Well | 8. WELL NAME and NUMBER: SWEETHEART 5A | | | | |
| 2. NAME OF OPERATOR: PACIFIC ENERGY & MINING | co | | 9. API NUMBER: 43019314170000 | | |
| 3. ADDRESS OF OPERATOR: P.O. Box 18148 , Reno, NV | | ONE NUMBER: | 9. FIELD and POOL or WILDCAT: GREATER CISCO | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0960 FNL 0360 FWL | | | COUNTY: GRAND | | |
| QTR/QTR, SECTION, TOWNSH | IIP, RANGE, MERIDIAN: 24 Township: 21.0S Range: 23.0E Meridian | : S | STATE: UTAH | | |
| 11. CHECH | K APPROPRIATE BOXES TO INDICATE N | ATURE OF NOTICE, REPOR | T, OR OTHER DATA | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | |
| | ACIDIZE | ALTER CASING | CASING REPAIR | | |
| NOTICE OF INTENT | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | | |
| Approximate date work will start: | ☐ CHANGE WELL STATUS | COMMINGLE PRODUCING FORMATIONS | CONVERT WELL TYPE | | |
| SUBSEQUENT REPORT Date of Work Completion: | DEEPEN | FRACTURE TREAT | NEW CONSTRUCTION | | |
| 4/2/2013 | | PLUG AND ABANDON | PLUG BACK | | |
| SPUD REPORT | | RECLAMATION OF WELL SITE | RECOMPLETE DIFFERENT FORMATION | | |
| Date of Spud: | REPERFORATE CURRENT FORMATION | SIDETRACK TO REPAIR WELL | TEMPORARY ABANDON | | |
| | | VENT OR FLARE | WATER DISPOSAL | | |
| DRILLING REPORT | | | | | |
| Report Date: | | SI TA STATUS EXTENSION | APD EXTENSION | | |
| | | OTHER | OTHER: | | |
| Re-completed w | PHONE NUMBER | -542 produced natural pipeline connection | · | | |
| Tariq Ahmad | 775 852-7444 | Petroleum Engineer | | | |
| SIGNATURE N/A | | DATE 5/10/2013 | | | |

RECEIVED: May. 10, 2013

Sundry Number: 37787 API Well Number: 43019314170000

| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING | | | | | | | | | | | | | (hi | AMENDED REPORT FORM 8 (highlight changes) 5. LEASE DESIGNATION AND SERIAL NUMBER: | | | | | |
|--|--|-------------------|--------------------|----------------|-----------------------|-----------------|-----------------|-------------|------------|-------------|------------------------|--------|---|--|-------------------|--------|-----------|---------|----------|
| | WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | | | | | | | | 33 | | | | |
| WELL | | | | | | | | | | | | | | | LOTTE | E OR T | RIBE NAM | 1E | |
| 1a. TYPE OF WELL: | | (| WELL _ |] GA | LS Z | DR | Υ 🔲 | 0 | THER | | | | 7. UNIT or CA AGREEMENT NAME | | | | | | |
| b. TYPE OF WORK | : HORIZ. |] ' | DEEP- | RE | · 🗆 | DIF | F | | | | | | 8. WELL NAME and NUMBER: SWEETHEART 5A | | | | | | |
| 2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO | | | | | | | | | | | | | | NUMBER 30193 | | | | | |
| 3. ADDRESS OF OP | | | ory RE | ENO | | STATE N | IV ZIP | 89511 | | | NUMBER: 5) 852-74 | 444 | | ELD AND F | | | | | ,,,,,, |
| 4. LOCATION OF WELL (FOOTAGES) 960 FNL 460 FWL 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 24 21S 23E S | | | | | | | | | | | | | | | | | | | |
| AT TOP PRODUC | CING INTER | VAL REPO | ORTED BE | LOW: SA | AME | | | | | | | | ' | | - ' | 2.0 | 200 | Ū | |
| AT TOTAL DEPT | н: SAN | 1E | | | | | | | | | | | | COUNTY RAND | | | 13. STA | | ГАН |
| 14. DATE SPUDDED 8/12/2005 |): | 15. DATE 8/18/ | T.D. REAG /2005 | CHED: 1 | 6. DATE 0 | COMPLETE 013 | ED: | ABANDO | DNED | | READY TO PI | RODUCI | | 17. ELEVA | TIONS 14 R | | B, RT, GI | _): | |
| 18. TOTAL DEPTH: | MD 80 | - | | 19. PLUG B | ACK T.D.: | MD 73 | - | 20. | F миі 2 | TIPLE CO | OMPLETIONS, | HOW M | IANY? * | | H BRIDO S SET: | | | | |
| TVD 806 | | | | | | | | | | | | | | | | | | | |
| 24. CASING AND LI | NER RECO | RD (Repo | rt all string | gs set in wel | 1) | | | 1 | | | | | | | | | | | |
| HOLE SIZE | SIZE/GF | RADE | WEIGH | T (#/ft.) | TOP (M | ID) E | BOTTOM (F | MD) STAG | E CEN | MENTER H | CEMENT TY NO. OF SA | | SLUF VOLUME | | CEMEN | IT TOP | ** AM | OUNT PI | ULLED |
| 12 | 8 5/8 | J 55 | | 8 | 0 | | 135 | | 13 | | G | 60 | 5 | 0 | SUF | | | | |
| 6 1/4 | 4 1/2 | J 55 | 9 | .5 | 0 | | 730 | | 73 | 0 | G | 60 | 5 | 0 | SUR | FAC | E | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 25. TUBING RECOF | | H SET (MD |) PAC | KER SET (M | D) | SIZE | | DEPTH SET (| MD) | PACKE | R SET (MD) | | SIZE | DE | PTH SE | T (MD) | PACI | KER SE1 | T (MD) |
| 2 3/8 | | 540 | , , , , , , | 11211 021 (111 | , | | | | | | , | | | | | | | | |
| 26. PRODUCING IN | TERVALS | | | | | | | | 27 | . PERFO | RATION REC | ORD | | | | | | | |
| FORMATION | NAME | TC | P (MD) | BOTTON | M (MD) | TOP (TV | (D) B | OTTOM (TVE |)) | INTERVA | AL (Top/Bot - M | D) | SIZE | NO. HOLE | s | PERF | ORATION | ↓ STATU | ıs |
| (A) DAKOTA | | | 400 | 41 | 5 | 400 |) | 415 | 4 | -05 | | 115 | | 20 | Ор | en 🔽 | Sque | ezed _ | <u> </u> |
| (B) DAKOTA | | | 500 | 54 | 15 | 500 |) | 545 | 5 | 32 | | 542 | | 20 | Ор | en 🗸 | Squee | ezed | |
| (C) | | | | | | | | | \perp | | | | | | Ор | en 🔲 | Sque | ezed | |
| (D) | | | | | | | , | | | | | | | | Ор | en | Sque | ezed |] |
| 28. ACID, FRACTUI | RE, TREATI | MENT, CE | MENT SQ | JEEZE, ETC | | | | | | | | | | | | | | | |
| DEPTH | INTERVAL | | | | | | | | AMOU | NT AND T | TYPE OF MATI | ERIAL | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | _ | | | | | | |
| | | | | | | | | | | | | | | | | , | | | |
| 29. ENCLOSED AT | TACHMENT | | LOGS | | | | □ _{GE} | OLOGIC REF | ORT | | DST REPORT | | DIREC | TIONAL S | URVEY | 30. W | ELL STA | TUS: | |
| _ | | | | D CEMENT ' | VERIFICA ⁻ | TION | \equiv | RE ANALYSI | | Ī | | | | TIONAL | | | | | |

Sundry Number: 37787 API Well Number: 43019314170000

| 31. INITIAL PR | ODUCTION | | | | | IN | TERVAL A (As sho | wn in item #26) | | | | | | |
|------------------------------|---|----------------------------|---------------|----------------|--------------------------|---------------------------------------|------------------------|--|--|-----------------|----------------------------|-------------------------|--|--|
| DATE FIRST PE | | 4/2 | DATE: /201 | 3 | | HOURS TESTE | D: 2 | TEST PRODUCTION RATES: → | OIL – BBL: | GAS - MCF: 200 | WATER – BB | PROD. METHOD: | | |
| CHOKE SIZE: | TBG. PRESS | S. CSG. | PRESS | API G | RAVITY | 1,000 | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | GAS – MCF: WATER – BBL: IN | | | |
| | | | | | | INT | TERVAL B (As sho | wn in item #26) | | | | | | |
| DATE FIRST PF | RODUCED: | TEST | DATE: | | | HOURS TESTE | D: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS - MCF: | WATER – BB | L: PROD. METHOD: | | |
| CHOKE SIZE: | TBG. PRESS | S. CSG. | PRESS. | API G | RAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS - MCF: | WATER – BB | L: INTERVAL STATUS | | |
| | | | | | | INT | ERVAL C (As sho | wn in item #26) | | | | | | |
| DATE FIRST PR | RODUCED: | TEST | DATE: | | | HOURS TESTER | D: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS - MCF: | WATER – BB | L: PROD. METHOD: | | |
| CHOKE SIZE: | TBG. PRESS | S. CSG. | PRESS. | API G | RAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | TION OIL - BBL: GAS - MCF: WATER - BBL: INTERV | | | | | |
| | | | | | | INT | ERVAL D (As sho | wn in item #26) | | | | | | |
| DATE FIRST PR | RODUCED: | TEST | DATE: | | | HOURS TESTER | | TEST PRODUCTION | OIL – BBL: | 040 4405 | T=== | | | |
| CHOKE SIZE: | | | | ARIO | DAL (IT) | | | RATES: → | | GAS - MCF: | WATER – BBI | PROD. METHOD: | | |
| CHOKE SIZE. | TBG. PRESS | S. CSG. I | YKESS. | APIG | RAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS - MCF: | WATER - BBI | : INTERVAL STATUS: | | |
| 32. DISPOSITIO | ON OF GAS (Se | old, Used fo | r Fuel, | /ented, Et | c.) | | | | | | | | | |
| 33. SUMMARY | OF POROUS Z | ONES (Incl | ıde Aqı | uifers): | | | | 34 | FORMATION | (Log) MARKERS: | | | | |
| | int zones of por | osity and co | ntents ti | nereof: Co | red interva sures and | als and all drill-stem recoveries. | n tests, including de | | , romanon | (LOG) MARKERS. | | | | |
| Formation | on | Top (MD) | | Bottom (MD) | | Descrip | tions, Contents, etc | | | Name | | Top (Measured Depth) | | |
| DAKOTA | SILT | 350 | | 356 | SILT | GAS AT 2 | 50 SITP 25 | PSI | | | | | | |
| DAKOTA S | | 526 700 | | 558 740 | | | EAN SAND OIL AND GA | AS | | | | | | |
| 35. ADDITIONA | L REMARKS (| nclude plug | ging p | ocedure) | | | | | | | | | | |
| | | | | | | | | on. Placed a br | | at 719 | | | | |
| 36. I nereby cer | tiry that the fo | regoing and | attach | ed inform | ation is co | omplete and corre | ect as determined | from all available reco | rds. | | | | | |
| NAME (PLEAS | E PRINT) To | riq Ahn | nad | , | | | | TITLE Petro | leum Eng | ineer | | | | |
| SIGNATURE _ | (| 1 | tty | 4 | 2/ | | | DATE 5/15/ | 2013 | | | | | |
| drilling | st be submit eting or plugg horizontal la pleting to a c | ging a new aterals fror | well n an e | xisting w | | • | significantly dea | eviously plugged and epening an existing rbon exploratory ho | well bore belo | ow the previous | | | | |
| TITEM 20: Sho | ow the numb | er of comp | etion | s if produ | iction is | measured sepa | arately from two | or more formations. | | | | | | |
| ** ITEM 24: C | ement Top | - Show h | ow rep | orted to | p(s) of | cement were d | letermined (circ | ulated (CIR), calcu | lated (CAL), | cement bond lo | g (CBL), temp | perature survey (TS) | | |
| Send to: | Jtah Division | of Oil, Ga | s and | Mining | | Phone | e: 801-538-534 | 0 | | | | | | |

Fax: 801-359-3940

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84114-5801

Box 145801

| | | | DEPA | _ | TATE O | | | OURCE | S | | | | | ENDE! | | PORT | | FOF | RM 8 |
|---|--|----------|--------------------|--------------|-------------------|---------------|-------|----------------|-----------|------------------|-------------------------------|----------|--------------|---|-------------------------|----------------------|--------------|-------------------------------|----------|
| | DIVISION OF OIL, GAS AND MINING | | | | | | | | | | | | | | | TION AND | SERI | AL NUMBE | ER: |
| WELL | WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | | | | | | | | ALLO ⁻ | TTEE OR T | RIBE | NAME | |
| 1a. TYPE OF WELL: | | | OIL [|] | GAS WELL 🔽 |] | DRY [| | ОТН | ER | | | 7. U | N!T or CA | AGRE | EEMENT N | AME | | |
| | | | | | | | | | | | | | | 8. WELL NAME and NUMBER: SWEETHEART 5A | | | | | |
| 2. NAME OF OPERATOR: PACIFIC ENERGY & MINING CO | | | | | | | | | | | | | | РІ NUMB 43019 | | 17 | | | |
| 3. ADDRESS OF OP PO BOX 18 | | | city R | ENO | | STATE | NV | ZIP 895 | 511 | 1 | NUMBER: 5) 852-7 | 7444 | | | | L, OR WILL R CISC | | | |
| 4. LOCATION OF WELL (FOOTAGES) 960 FNL 460 FWL | | | | | | | | | | | | | | OTR/OTR MERIDIA WNW | Ň: | TION, TOW | | P, RANGE | , |
| AT TOP PRODUC | CING INTER | RVAL REP | ORTED B | ELOW: \$ | SAME | | | | | | | | | | | | | | |
| AT TOTAL DEPT | н: SAN | ΛE | | | | | | | | | | | | COUNTY SRAN | | | 13. | STATE | JTAH |
| 14. DATE SPUDDED 8/12/2005 | D: | | T.D. REA 1/2005 | CHED: | 16. DATE 4/2/2 | COMPL 2013 | ETED: | , | ABANDON | ED 🗌 | READY TO | PRODUC | E 🔽 | | | NS (DF, R | KB, R | î, GL): | |
| 18. TOTAL DEPTH: | _ | 06 | | 19. PLUG | BACK T.D | | 730 | | | MULTIPLE CO | OMPLETION | S, HOW I | MANY? * | 21. DEF PL | TH BE UG SE | T: | /ID | | |
| 22. TYPE ELECTRIC | TVD 8 | | ANICALI | OGS PLIN | (Submit con | TVD | | | | 23. | | | | <u> </u> | | T | VD | | |
| 22. TIPE ELECTRIC | AND OTH | EK WEON | ANIOALL | OGS KON | Gubilit cop | y or cadin | , | | | WAS WEL | L CORED? RUN? NAL SURVE | Y? | NO NO | ✓ | YES [YES [YES [| (s | | analysis) report) copy) | |
| 24. CASING AND LI | NER RECO | RD (Repo | rt all strir | ıgs set in v | vell) | | | | | -1 | | | | <u> </u> | | | | | |
| HOLE SIZE | SIZE/G | RADE | WEIGH | HT (#/ft.) | TOP (| MD) | вотто | M (MD) | | CEMENTER EPTH | CEMENT NO. OF S | | SLU VOLUM | RRY E (BBL) | CEI | MENT TOP | , ** | AMOUNT | PULLED |
| 12 | 8 5/8 | J 55 | | 28 | C | | | 35 | | 135 | G | 60 | 50 SURFACE | | | | | | |
| 6 1/4 | 4 1/2 | J 55 | 9 | 9.5 | 0 | | 7: | 30 | 7 | 730 | G | 60 | 5 | 0 | SI | JRFAC | E | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 25. TUBING RECOR | L | | | | 1 | | | | 1 | | I. | | | | <u> </u> | | . 1 | | |
| SIZE | - | H SET (M | D) PAG | CKER SET | (MD) | SIZE | = | DEPTH | H SET (MD |) PACKE | R SET (MD) | | SIZE | | DEPTH | H SET (MD) |) F | PACKER S | ET (MD) |
| 2 3/8 | | 540 | | | | | | | | | | | | | | | | | |
| 26. PRODUCING IN | TERVALS | | | | | | | | | 27. PERFO | | | | | | | | | |
| FORMATION | NAME | TO | OP (MD) | | OM (MD) | | (TVD) | - | M (TVD) | | AL (Top/Bot - | | SIZE | NO. HO | | | _ | TION STAT | rus |
| (A) DAKOTA | | | 400 | | 115 | | 00 | | 15 | 405 | | 415 | | 20 | | Open 🗸 | | queezed [| ᆗ— |
| (B) DAKOTA | <u> </u> | | 500 | ; | 545 | 5 | 00 | 5 | 45 | 532 | | 542 | | 20 |) | Open 🗸 | - | queezed | |
| (C) | | | | | | | | <u> </u> | | | | | | | | Open | | queezed | <u> </u> |
| (D) | | | | | | | | | | <u> </u> | | | | | | Open | <u> </u> | queezed | |
| 28. ACID, FRACTUI | RE, TREAT | MENT, CE | MENT SC | UEEZE, E | rc. | | | | | | | | | | | | | | |
| DEPTH | INTERVAL | | | | | | | | AN | OUNT AND 1 | TYPE OF MA | TERIAL | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | _ | | | | | | |
| | | | | | | | | | | | | | | | | 1 | | | |
| 29. ENCLOSED AT | TACHMEN' | TS: | | | | | | | | | | | | | | 30. V | VELL | STATUS: | |
| 一 | RICAL/MEC | | | ND CEMEN | IT VERIFICA | ATION | | GEOLOG | BIC REPOI | RT | DST REPOR | ₹Т [| DIREC | CTIONAL | . SURV | ÆY | | | |
| | | | | | | | | | | | | | | | | | | | |

(CONTINUED ON BACK)

| 31. INITIAL PRO | ODUCTION | | | | | INT | TERVAL A (As sho | wn in item #26) | | | | | | | |
|--|---|--|---------------------------------|--------------------------|--------------------------|-------------------------------------|---|---|---------------------|-------------------------|---------------------------------|--------------|----------------------|------------------------|--|
| DATE FIRST PR | ODUCED: | TEST DAT 4/2/20 | | | | HOURS TESTE | D: 2 | TEST PRODUCTION RATES: → | ON OIL | - BBL: | GAS - MCF: 200 | WATER (| | PROD. METHOD: | |
| CHOKE SIZE: | TBG. PRESS | . CSG. PRE | SS. | API GR | RAVITY | 1,000 | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | ON OIL | – BBL: | GAS - MCF: | WATER | – BBL: | INTERVAL STATUS | |
| | | | | | | INT | TERVAL B (As sho | wn in item #26) | | | | | | | |
| DATE FIRST PR | ODUCED: | TEST DAT | E: | | | HOURS TESTER | D: | TEST PRODUCTION RATES: → | ON OIL | - BBL: | GAS - MCF: | WATER | - BBL: | PROD. METHOD: | |
| CHOKE SIZE: | TBG. PRESS | . CSG. PRE | SS. | API GR | AVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | ON OIL | - BBL: | GAS - MCF: | WATER | - BBL: | INTERVAL STATUS: | |
| | | | | | | INT | ERVAL C (As sho | wn in item #26) | | | | | | | |
| DATE FIRST PR | ODUCED: | TEST DAT | E: | | | HOURS TESTED | D: | TEST PRODUCTION RATES: → | ON OIL | - BBL: | GAS - MCF: | WATER - | - BBL: PROD. METHOD: | | |
| CHOKE SIZE: | TBG. PRESS. | RESS. CSG. PRESS. API GRAVITY BTU – GAS GAS/OIL RATIO 24 HR PRODUCTION OIL – BBL: GAS – RATES: → | | | | GAS - MCF: | WATER - | - BBL: | INTERVAL STATUS: | | | | | | |
| | | | | | | INT | ERVAL D (As show | wn in item #26) | | | | | | | |
| DATE FIRST PR | ODUCED: | TEST DAT | E: | | | HOURS TESTED | D: | TEST PRODUCTIC RATES: → | ON OIL | – BBL: | GAS - MCF: | WATER - | - BBL: | PROD. METHOD: | |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRE | SS. | API GR | AVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | ON OIL | - BBL: | GAS - MCF: | WATER - | - BBL: | INTERVAL STATUS: | |
| 32. DISPOSITIO | N OF GAS (So | ld, Used for Fu | el, Ve | nted, Etc | :.) | | | | | | | | | | |
| 22 CUMMA DV | 25 2020112 24 | | | | | | | | | | | | | | |
| 33. SUMMARY | | • | | , | | | | | 34. FO | RMATION (| Log) MARKERS: | | | | |
| Show all importar tested, cushion u | nt zones of pord sed, time tool o | pen, flowing and | ts the d shut | reof: Core -in pressu | ed interva ires and r | Is and all drill-stem ecoveries. | n tests, including de | pth interval | | | | | | | |
| Formatio | n | Top (MD) | | ttom MD) | | Descript | tions, Contents, etc | | | | Name | | (1 | Top Measured Depth) | |
| DAKOTA S DAKOTA S MORRISO | SAND | 350 526 700 | 5 | 56 58 40 | GAS | FLOW CLI | 50 SITP 25 EAN SAND OIL AND GA | | | | | | | | |
| 35. ADDITIONAL | REMARKS (Ir | nclude pluggine | g prod | cedure) | | | | | | | | | | | |
| | | | | | | | | on. Placed a | | je plug | at 719 | | | | |
| 36. I hereby cert | ify that the for | egoing and att | ached | informa | tion is co | mplete and corre | ect as determined f | from all available re | cords. | | | | | | |
| NAME (PLEASE | PRINT) Ta | riq Ahmad | d | | | | | TITLE Pet | roleu | m Engi | neer | | | | |
| SIGNATURE _ | | Ju | 4 | 4 | / | | | DATE 5/1 | 5/201 | 13 | | | | | |
| drillingrecomp* ITEM 20: Sho | eting or plugg horizontal late pleting to a di w the numbe | ing a new we terals from a ifferent produ er of completi | ell n exi- icing ons i | sting we formation | on ction is r | measured sepa | significantly deed drilling hydrocal arately from two | eviously plugged epening an existing rbon exploratory or more formatio | ng well holes, s | bore belo such as co | w the previous lore samples and | d stratigrap | hic tes | ts | |
| ** ITEM 24: C | ement Top - | - Show how | repo | rted top | o(s) of o | cement were d | letermined (circ | ulated (CIR), cal | lculated | d (CAL). | cement bond lo | g (CBL), t | emper | ature survey (TS)) | |

Send to:

Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

RECEIVED: May. 16, 2013

Sundry Number: 47897 API Well Number: 43019314170000

| | STATE OF UTAH | | FORM 9 | | |
|---|--|------------------------------------|--|--|--|
| 1 | DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MININ | G | 5.LEASE DESIGNATION AND SERIAL NUMBER: ML-48933 | | |
| SUNDR | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | | |
| Do not use this form for procurrent bottom-hole depth, FOR PERMIT TO DRILL form | 7.UNIT or CA AGREEMENT NAME: | | | | |
| 1. TYPE OF WELL Oil Well | | | 8. WELL NAME and NUMBER: SWEETHEART 5A | | |
| 2. NAME OF OPERATOR: PACIFIC ENERGY & MINING | COMPANY | | 9. API NUMBER: 43019314170000 | | |
| 3. ADDRESS OF OPERATOR: P.O. Box 18148, Reno, NV | | ONE NUMBER: | 9. FIELD and POOL or WILDCAT: GREATER CISCO | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0960 FNL 0360 FWL | | | COUNTY: GRAND | | |
| QTR/QTR, SECTION, TOWNSH Qtr/Qtr: NWNW Section: | HP, RANGE, MERIDIAN: 24 Township: 21.0S Range: 23.0E Meridia | n: S | STATE: UTAH | | |
| 11. CHEC | K APPROPRIATE BOXES TO INDICATE I | NATURE OF NOTICE, REPOR | RT, OR OTHER DATA | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | |
| | ACIDIZE | ALTER CASING | CASING REPAIR | | |
| NOTICE OF INTENT Approximate date work will start: | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | | |
| | CHANGE WELL STATUS | CONVERT WELL TYPE | | | |
| SUBSEQUENT REPORT Date of Work Completion: | DEEPEN | NEW CONSTRUCTION | | | |
| 6/2/2013 | OPERATOR CHANGE | PLUG AND ABANDON | PLUG BACK | | |
| SPUD REPORT | PRODUCTION START OR RESUME | RECLAMATION OF WELL SITE | RECOMPLETE DIFFERENT FORMATION | | |
| Date of Spud: | REPERFORATE CURRENT FORMATION | SIDETRACK TO REPAIR WELL | TEMPORARY ABANDON | | |
| | TUBING REPAIR | VENT OR FLARE | WATER DISPOSAL | | |
| DRILLING REPORT Report Date: | WATER SHUTOFF | SI TA STATUS EXTENSION | APD EXTENSION | | |
| | ☐ WILDCAT WELL DETERMINATION ✓ | OTHER | OTHER: Bridge Plug | | |
| 12 DESCRIBE PROPOSED OR | COMPLETED OPERATIONS. Clearly show all p | ertinent details including dates d | , | | |
| | t 566 feet to shut off bottom n zone and water zone | | Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY February 25, 2014 | | |
| | | | · | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| NAME (PLEASE PRINT) Tariq Ahmad | PHONE NUMBER 775 852-7444 | TITLE Petroleum Engineer | | | |
| SIGNATURE | | DATE | | | |
| N/A | | 2/14/2014 | | | |

RECEIVED: Feb. 14, 2014

RECEIVED

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL GAS AND MINING

JAN 1 5 2014 F5. LEASE DESIGNA

FORM 9

| DIVISION OF OIL, GAS AND MINING | ML-48933 | | | | |
|---|--|--|--|--|--|
| SUNDRY NOTICES AND REPORTS ON V | VELLS IVIL-48933 | | | | |
| Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom- drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such | ole depth, reenter plugged wells, or to proposals. 7. UNIT or CA AGREEMENT NAME: | | | | |
| 1. TYPE OF WELL OIL WELL 🗹 GAS WELL 🗌 OTHER | 8. WELL NAME and NUMBER: SWEETHEART 5A | | | | |
| 2. NAME OF OPERATOR: | 9. APINUMBER: | | | | |
| PACIFIC ENERGY & MINING CO 3. ADDRESS OF OPERATOR: | 43-019-314 \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | | | | |
| PO 18148 CITY RENO STATE NV ZIP 89511 | (775) 852-7444 | | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 960 FNL 360 FWL | COUNTY: GRAND | | | | |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 24 21S 23E S | STATE: UTAH | | | | |
| 11. CHECK APPROPRIATE BOXES TO INDICATE NATU | IRE OF NOTICE, REPORT, OR OTHER DATA | | | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Approximate date work will start: CASING REPAIR CHANGE TO PREVIOUS PLANS CHANGE TUBING PLUG CHANGE WELL NAME CHANGE WELL STATUS PRO COMMINGLE PRODUCING FORMATIONS REC | REPERFORATE CURRENT FORMATION CTURE TREAT CONSTRUCTION TEMPORARILY ABANDON RATOR CHANGE TUBING REPAIR GAND ABANDON VENT OR FLARE BACK WATER DISPOSAL DUCTION (START/RESUME) WATER SHUT-OFF CAMATION OF WELL SITE COMPLETE - DIFFERENT FORMATION | | | | |
| DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Change of Operator to be effective of the 1st day of November, 2013 as follows: Previous Operator: Pacific Energy & Mining Co., PO Box 18148, Reno, NV 89511 Ph: 775-852-7444 By: | | | | | |
| New Operator: Hinto Energy Inc., 7609 Ralston Road, Arvada, CC | 80202 Ph: 303 422-8127 | | | | |
| By Corpe Carris, CFO Dated: | Vlah Bod | | | | |
| | | | | | |
| NAME (PLEASE PRINT) Tariq Ahmad | TITLE President | | | | |
| SIGNATURE | DATE 10/15/2013 | | | | |
| | | | | | |

(This space for State use only)

APPROVED

MAR 1 9 2014

PIK OIL GAS & MINING

| | ROUTING |
|---|---------|
| ı | CDW |

| X - Change of Operator (Well Sold) Operator Name Change/Merger | | | | | | | | |
|--|--|------------------|-----------------|--------------------------------|----------------|----------------------|----------|-----------|
| The operator of the well(s) listed below has char | F | Turito Citar | 11/1/2013 | | | | | |
| FROM: (Old Operator): | | | | | | | | |
| Pacific Energy & Mining Company N7655 | TO: (New C Hinto Energy, | | | | | | | |
| P.O. Box 18148 | | | | 7609 Ralston | | | | |
| Reno, NV. 89511 | | | | Arvada, CO 8 | | | | |
| Phone: 1 (775) 852-7444 | | | | Phone: 1 (303) |) 422-8127 | | | |
| CA No. | | | | Unit: | N/A | | | |
| WELL NAME | | TWI | 1 | API NO | ENTITY | LEASE | WELL | WELL |
| NUGGETT 14-4 | RNO | | T | | NO | ТҮРЕ | TYPE | STATUS |
| SWEETHEART 14-02 | 14 14 | | 230E 230E | 4301930423 | 9075 | Fee | OW | P |
| SWEETHEART 5A | 24 | | 230E | 4301931451 | 15005 | Fee | OW | P |
| SWEETHEART 2A | 24 | 1 | 230E | 4301931417 | 14866 | State | OW | S |
| SWEETHEART 7 | 24 | | 230E | 4301931418 | 14867 | State | OW | S |
| 14-01 | 14 | _ | 230E | 4301931420 | 14910 | State | OW | S |
| LITTLE BOY 2 | 24 | | 230E | 4301931450 4301931460 | 15121 15329 | Fee State | OW GW | S |
| | | 2100 | 2301 | [+301731+00 | 13329 | State | IGW | S |
| OPERATOR CHANGES DOCUMENT | ATI | ON | | | | | | |
| Enter date after each listed item is completed | | | | | | | | |
| 1. (R649-8-10) Sundry or legal documentation wa | s rece | eived fr | om the | FORMER one | rator on | 1/15/2014 | | |
| 2. (R649-8-10) Sundry or legal documentation wa | | | | | | 1/15/2014 | - | |
| 3. The new company was checked on the Departs | | | | | | | _ | 1/17/2014 |
| 4a. Is the new operator registered in the State of U | tah: | | | Business Numb | | <u>8436345-</u> 0143 | | 1/1//2014 |
| 5a. (R649-9-2)Waste Management Plan has been re | | | | Not Yet | | | - | |
| 5b. Inspections of LA PA state/fee well sites compl | ete or | n: | | N/A | - | | | |
| 5c. Reports current for Production/Disposition & S | undrie | es on: | | 3/19/2014 | • | | | |
| 6. Federal and Indian Lease Wells: The BL | M and | d or the | BIA h | as approved the | | ne change, | | |
| or operator change for all wells listed on Federa 7. Federal and Indian Units: | l or lr | idian le | eases on | : | BLM | N/A | BIA | . N/A |
| | . £ | :4 | -4 C | | | | | |
| The BLM or BIA has approved the successor 8. Federal and Indian Communization Agr | or un | n opera | uor ior | wells listed on: | • | N/A | - | |
| The BLM or BIA has approved the operator for | | | | | | 3.7/4 | | |
| 9. Underground Injection Control ("UIC" |) Div | wens n vision | has an | nnoved IIIC Fa | orm 5 Tran | N/A | Itu to | |
| Inject, for the enhanced/secondary recovery uni | t/proi | ect for | the wat | er disnosal well | (e) listed on | sici of Author | N/A | |
| DATA ENTRY: | - 6103 | | 110 114 | or disposar wen | (s) listed ou | • | | • |
| 1. Changes entered in the Oil and Gas Database | on: | | | 3/19/2014 | | | | |
| 2. Changes have been entered on the Monthly Op | erato | r Chai | ige Spi | ead Sheet on: | | 3/19/2014 | | |
| 3. Bond information entered in RBDMS on: | | | | 3/19/2014 | • | | | |
| 4. Fee/State wells attached to bond in RBDMS on: 5. Injection Projects to new operator in RBDMS or | | | - | 3/19/2014 | | | | |
| 5. Injection Projects to new operator in RBDMS of | 1: | | | N/A | | | | |
| 6. Receipt of Acceptance of Drilling Procedures fo | - ADI | NI. | - | | | 37/4 | | |
| 7. Surface Agreement Sundry from NEW operator | on Fe | e Surfa | on. ice well | s received on: | - | N/A Yes | | |
| BOND VERIFICATION: | o • | Court | | s received on. | - | 168 | | |
| 1. Federal well(s) covered by Bond Number: | | | | N/A | | | | |
| 2. Indian well(s) covered by Bond Number: | | | - | N/A | | | | |
| 3a. (R649-3-1) The NEW operator of any state/fee | well(| s) liste | d cover | ed by Bond Nur | nber | See Comments | | |
| 3b. The FORMER operator has requested a release | of lia | bility fi | om the | ir bond on: | N/A | | | |
| LEASE INTEREST OWNER NOTIFICA | ATIO | ON: | | - | | | | |
| 4. (R649-2-10) The NEW operator of the fee wells I | 4. (R649-2-10) The NEW operator of the fee wells has been contacted and informed by a letter from the Division | | | | | | | |
| of their responsibility to notify all interest owners | of th | is chan | ge on: | | 3/19/2014 | | | |
| COMMENTS: NUGGETT 14-4 Bond:4049504683 | | | | | | | | |
| SWEETHEART 14-02 Bond:4049504741 | | | | | | | | |
| SWEETHEART 5A Bond: 4049504709 | | | | | | | | |

LITTLE BOY 2 Bond: 4049504717

14-01 Bond: 4049504733

SWEETHEART 2A Bond: 4049504691 SWEETHEART 7 Bond: 4049504725



February 7, 2014

Via E-Mail

Ms. Rachel Medina Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801 rachelmedina@utah.gov

Re: Plans for Wells

Dear Ms. Medina:

Per your request, please find our estimated plugging costs for the listed wells.

| | | Estimated Plugging |
|--------------|------------------|--------------------|
| API Number | <u>Name</u> | Costs |
| 43-019-314 | Sweetheart 5A | \$6,000.00 |
| 43-019-31418 | Sweetheart 2A | \$6,000.00 |
| 43-019-31420 | Sweetheart 7 | \$6,000.00 |
| 43-019-31450 | Sweetheart 14-01 | \$8,000.00 |
| 43-019-31460 | Little Boy 2 | \$4,000.00 |

If you have any questions, please do not hesitate to contact myself or Ms. Kampmann.

Sincerely,

George Harris

Chief Executive Officer



February 5, 2014

Via E-Mail

Ms. Rachel Medina Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801 rachelmedina@utah.gov

Re: Plans for Wells

Dear Ms. Medina:

Per your request, below is a status and plans as to the wells that Hinto Energy, Inc. has requested to become the operator of. Please note that for the last two months, there has been no gas production due to the unavailability of the Cisco Gathering Facility. We have attached correspondence received from Summit Operating, LLC, confirming that such facility will be available to accept gas, we expect to begin producing gas for sale within 60 days of the Summit plant start-up, as we have to replace some meters, test gas lines and re-test gas inert contents. In addition, we are developing a super perforating technic that uses high pressure water jets to drill lateral perforations from 30 to 300 feet out from the well bore. Given weather and rig availability, we intend to complete this work within 180 days to bring wells Sweetheart 14-01, Sweetheart 14-02 and Little Boy 2 back on production as described below.

| API Number | Name | Status - Plan |
|--------------|-----------------|---|
| 43-019-314 | Sweetheart 5A | Is producing. |
| 43-019-30423 | Nugget Fee 14-4 | Is producing. |
| 43-019-31033 | Gilbraltor #1 | After reviewing the State of Utah's records we have discovered that the well status according the state is Shut In. The well is producing and we will be filing a sundry notice to change its status. |
| 43-019-31418 | Sweetheart 2A | We will re-work the well and expect to have it back on production in April 2014. |



| <u>API Number</u> 43-019-31420 | Name Sweetheart 7 | Status - Plan We have been re-working the well, but have pulled off due to weather and expect to have it back on production in April 2014. |
|-----------------------------------|-------------------|--|
| 43-019-31450 | Sweetheart 14-01 | We intend to water jet the 938 to 948 zones and bring the well back on production. |
| 43-019-31451 | Sweetheart 14-02 | We intend to water jet zones 665-675 and zones 960-970 and put the well back on production. |
| 43-019-31460 | Little Boy 2 | We intend to water jet the well and have the well back on for production of gas. |

If you have any questions, please do not hesitate to contact myself or Ms. Kampmann.

Sincerely,

George Harris

Chief Executive Officer

| | | | | | <u>Little Boy 2</u> | | | | |
|---------|----------|--------|-----------------|----------------|---------------------|------------|---------|-------|---|
| Volume | Diameter | Length | Perfs | Cement Top | Area | Volume(cf) | ft/cuft | No Sx | |
| Casing | 4.5 | 120 | | Surface | 0.11 | 13.25 | 9.06 | 11.52 | Cement bottom to top with 22 sx cement |
| Hole | 3.5 | 180 | 180 | 120 to Surface | 0.07 | 12.02 | 14.97 | 10.45 | |
| | | | | | | | Total | 21.97 | |
| | | | | _ | 7A | _ | | | |
| Surface | 8.625 | 137 | | Surface | 0.41 | 55.56 | 0.02 | 48.31 | First plug 640-420 10 sx cement. Perf 240 feet |
| Prod | 4.5 | 200 | 520-530 | 240 | 0.11 | 22.08 | 0.05 | 19.20 | Second Plug pump 58 sx circ up annulus |
| он | 3.875 | 189 | | 0 | 0.08 | 15.47 | 0.06 | 13.45 | |
| | | | | | | | Total | 80.96 | |
| | | | | | 5A | _ | | | |
| Casing | 8.625 | 135 | | Surface | 0.41 | 54.75 | 0.02 | 57.00 | Set fist cement plug 24 sx from 560 to 305 feet |
| Prod | 4.5 | 255 | 405-415:532-542 | 220 | 0.11 | 28.15 | 0.04 | 24.48 | perf at 135 pump 57 sx cir to surface |
| | | | | | | | Total | 81.48 | |
| | | | | | 14-01 | _ | | | |
| Surface | 8.625 | 122 | | Surface | 0.41 | 49.47 | 0.02 | 43.02 | Plug 1 984-838 38 sx |
| Prod | 4.5 | 984 | 938-956:824-828 | 700 | 0.11 | 108.62 | 0.01 | 94.46 | Perf 122 25sx circulate to surface |
| | | | | | | | | | |
| | | | | | 2A | _ | | | |
| Surface | 8.625 | 122 | | Surface | 0.41 | 49.47 | 0.02 | 43.02 | Plug 1 800-576 22 sx. Perf 122 Plug 2 43 sx |
| Prod | 4.5 | 800 | 766-776;670-676 | 320 | 0.11 | 88.31 | 0.01 | 76.79 | |

UTAH DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining Oil and Gas Program 1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, UT 84114-5801 (801) 538-5340 Phone (801) 359-3940 Fax

NOTICE OF VIOLATION STATE OF UTAH OIL AND GAS CONSERVATION ACT

TO THE FOLLOWING OPERATOR:

| Operator Name: _ | HINTO ENERGY | | | |
|---------------------|------------------------|------|--------|--|
| Mailing Address: | ATTN: MR. GEORGE HA | RRIS | ······ | |
| | 7609 RALSTON ROAD | | | |
| | ARVADA, CO 80002 | | | and the second s |
| | | 2A | 215 | 23E |
| Well(s) or Site(s): | 1) <u>SWEETHEART 7</u> | | | API #: <u>43-019-31420</u> |
| 2 | 2) LITTLE BOY 2 | | | API #: <u>43-019-31460</u> |
| 3 | 3) <u>14-01</u> | | | API #: <u>43-019-31450</u> |
| 4 | 4) SWEETHEART 5A | | | API #: 43-019-31417 |
| | 5) SWEETHEART 2A | | | API #: <u>43-019-31418</u> |

Date and Time of Inspection/Violation: March 16, 2015

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After five (5) years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3 Bonding – If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36.

Shut –in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restorations costs.

Rule R649-3-4.41 Bonding - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

The Division has previously initiated several contacts with Pacific Energy & Mining Co. (Pacific) requesting required documents and action per R649-3-36. On November 1, 2013 Hinto Energy (Hinto) became the operator of these wells. When Hinto took over the wells, a plan of action was agreed upon to move these wells out of non-compliance status. This agreement was sent to the Division on February 5, 2014. Wells #1-3 above have been shut-in over nine (9) years, placing them under the five (5) year requirement as stated in Rule R649-3-36. Well #4 was said to be producing; yet no reports have been received. Well #5 was scheduled to rework and have back on production in April, 2014. To date, the Division has not received information nor seen evidence of any work being done as agreed to move these wells out of non-compliance status. Hinto has not met the terms of the agreement.

UTAH DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining Oil and Gas Program 1594 West North Temple, Suite 1210, Box 145801 Salt Lake City, UT 84114-5801 (801) 538-5340 Phone (801) 359-3940 Fax

These wells are in violation of R-649-3-36 as stated above, therefore Hinto is required to plug these wells or meet the requirements showing good cause and wellbore integrity. Also Hinto is required to put up full cost bonding for the wells in violation above per R649-3-4. It is mandatory that Hinto submit all required documentation and plans to the Division by the compliance deadline below.

Immediate Action: For the wells subject to this notice, Hinto shall fulfill full cost bonding. Hinto shall also submit plugging plans for the wells contained in this Notice.

* Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions and requests for bond forfeiture and civil penalties.

| Compliance Deadline: APRIL 30 | , 2015 |
|---|--|
| Date of Service Mailing: March 24, 2015 | Certified Mail No.: 7011 2970 0001 8828 1115 |
| Division Representative Signature | Operator Representative (if presented in person) |

cc: Compliance File
Well Files

LaVonne Garrison, SITLA

1/2013



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 12, 2015

Certified Mail 7014 2870 0001 4232 4412

23E

215

DIVISION WELL PLUGGING ORDER

Mr. George Harris Hinto Energy 5350 S. Roslyn, Ste 400 Greenwood Village, CO 80111-2125

Subject: <u>Division Order to Plug and Abandon the Sweetheart 7, Little Boy 2, 14-01, Sweetheart 5A, and Sweetheart 2A wells operated by Hinto Energy</u>

Dear Mr. Harris:

The Division of Oil, Gas and Mining ("Division") issued Hinto Energy ("Hinto") a Notice of Violation for the five wells ("subject wells") listed below on March 24 and March 30, 2015. Hinto has not responded to the NOV. A response was required by April 30, 2015. The wells are in violation of Oil, and Gas Conservation General Rule R649-3-36 (Shut-in and Temporarily Abandoned Wells). The wells are as follows:

| Well Name | <u>API</u> | Completed | Production |
|----------------------|--------------|------------------|-------------------|
| SWEETHEART 7 | 43-019-31420 | 9/29/2005 | None |
| LITTLE BOY 2 | 43-019-31460 | 1/13/2006 | None |
| 14-01 | 43-019-31450 | 1/13/2006 | None |
| SWEETHEART 5A | 43-019-31417 | 9/25/2005 | 344 bbls |
| SWEETHEART 2A | 43-019-31418 | 11/10/2005 | 500 mcf |

As a condition of Hinto taking operatorship of the wells, a plan of action to move these wells out of non-compliance status was required. Refer to the agreement dated February 5, 2014, accepted by the Division as a required part of the Operator change approved March 19, 2014. There is no indication that any of the work contemplated in the agreement has been completed for any of the wells.

Wells #1-3 above have been shut-in for over nine (9) years. Wells #4-5 have had minimal production over the life of the wells. They were to be reworked and returned to production; however, they have not had any showing of production since mid 2012. To date the Division has not received any information nor seen any evidence of any work being done as agreed. Hinto has not met the terms of the agreement.



Page 2 Hinto Energy May 12, 2015

Therefore, the Division is ordering Hinto to plug and abandon the five subject wells immediately. Division authority to order these wells plugged is found in the Oil and Gas Conservation General Rule 649-3-36. The wells shall be plugged in accordance with R649-3-24.

Hinto has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Hinto does not plug and abandon the subject wells, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

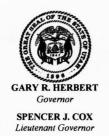
Questions regarding this order may be directed to Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely

Dustin Doucet
Petroleum Engineer

DKD/JP/is

cc: John Rogers, Oil and Gas Associate Director Steve Alder, Assistant Attorney General LaVonne Garrison, SITLA Compliance File Well File



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 1, 2015

Certified Mail 7014 2870 0001 4232 4764

SECOND DIVISION WELL PLUGGING ORDER

Mr. George Harris Hinto Energy 5350 S. Roslyn STE 400 Greenwood Village, CO 80111-2125

Subject: <u>Second Division Order to Plug and Abandon the Sweetheart 7, Little Boy 2, 14-01, Sweetheart 5A, and Sweetheart 2A wells operated by Hinto Energy</u>

Dear Mr. Harris,

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21S 23E

The Division of Oil, Gas and Mining ("Division") issued Hinto Energy ("Hinto") a Division Order, dated May 12, 2015, to plug and abandon the wells ("subject wells") as follows:

| Well Name | <u>API</u> | Completed | Production |
|----------------------|--------------|------------|-------------------|
| SWEETHEART 7 | 43-019-31420 | 9/29/2005 | None |
| LITTLE BOY 2 | 43-019-31460 | 1/13/2006 | None |
| 14-01 | 43-019-31450 | 1/13/2006 | None |
| SWEETHEART 5A | 43-019-31417 | 9/25/2005 | 344 bbls |
| SWEETHEART 2A | 43-019-31418 | 11/10/2005 | 500 mcf |

As a condition of Hinto taking operatorship of the wells, a plan of action to move these wells out of non-compliance status was required. Refer to the agreement dated February 5, 2014 accepted by the Division as a required part of the Operator change approved March 19, 2014. There is no indication that any of the work outlined in the agreement has been completed for any of the wells.

Hinto signed for the Division Order on May 18, 2015. Hinto was required to respond within 30 days of the issuance of the order. To date the Division has not received any response from Hinto addressing this matter.

Therefore, the Division is ordering Hinto to plug and abandon the subject wells immediately. Division authority to order the subject wells plugged is found in the Oil and Gas Conservation General Rule 649-3-36. The subject wells shall be plugged in accordance with R649-3-24.



Page 2

December 1, 2015

Subject: Second Division Well Plugging Order

Hinto has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Hinto does not plug and abandon the subject wells the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well site. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Joshua Payne, Compliance Manager at (801) 538-5314 or Dustin Doucet, Petroleum Engineer at (801) 538-5281.

Sincerely,

Joshua Payne

Compliance Manager

JP/js

cc: John Rogers, Oil and Gas Associate Director Steve Alder, Assistant Attorney General Dustin Doucet, Petroleum Engineer LaVonne Garrison, SITLA Compliance File Well Files

| SUNDRY NOTICES AND REPORTS ON WELLS SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposate to drift new wells, algorificantly design existing wells below current bottom-hole designt, nenter plugged wells, or to drift income that the APPLICATION FOR PERMIT TO DRILL from for such proposates. 1. TYPE OF WELL OIL WELL GAS WELL OTHER SNeedtheart S-A 1. MAIN LORD STORM SON CONTROL OF THE STATE OF THE | Reset Form |] | DEPARTMENT OF NATURAL RESOU | RCES | |
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| 2. NAME OF OPERATOR: HIND Energy 3. ADDRESS OF OPERATOR: 5890 S. ROSalyn St CITY Greenwood Village STATE CO 2IP 80111 PHONE NUMBER (720) 939-1133 10. PELD AND POOL, OR WILDCAT: 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION TYPE OF SUBMISSION ORDAN ALTER CASING Approximate date work will start: CASING REPAIR Approximate date work will start: CHANGE TO PREVIOUS PLANS OPERATOR CHANGE CHANGE TUBING PLUG AND ABANDON VENT OR FLARE CHANGE TO PREVIOUS PLANS OPERATOR CHANGE CHANGE TUBING CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SUBJECT OF HILD-TOPERATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all perfinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | 1. TYPE OF WE | 11 | | om to dear proposad. | 8. WELL NAME and NUMBER: |
| Hinto Energy 3. ADDRESS OF OPERATOR: 5850 S. Rosalyn St CITY Greenwood Village STATE CO 216 80111 4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: Grand CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF SUBMISSION NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: CASING REPAIR CHANGE TO PREVIOUS PLANS CHANGE TO PREVIOUS FORMATIONS 12. DESCRIBE PROPOSED OR COMPLETEO OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | | | | | |
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| TYPE OF SUBMISSION CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION | 5850 S. Ros | salyn St | Y Greenwood Village STATE CO ZIP | 80111 (720) 939-1133 | |
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| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION NOTICE OF INTENT ACIDIZE DEEPPEN REPERFORATE CURRENT FORMATION | FOOTAGES A | AT SURFACE: | | | county: Grand |
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| Approximate date work will start: CASING REPAIR CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING TUBING CHANGE TUBING CHANGE TUBING CHANGE TUBING CHANGE WELL NAME PLUG AND ABANDON VENT OR FLARE WATER DISPOSAL WATER DISPOSAL CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. Packer at 477ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | | | ACIDIZE | DEEPEN | REPERFORATE CURRENT FORMATION |
| CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR CHANGE TUBING PLUG AND ABANDON VENT OR FLARE CHANGE WELL NAME PLUG BACK WATER DISPOSAL CHANGE WELL STATUS PRODUCTION (START/RESUME) CHANGE WELL STATUS RECLAMATION OF WELL SITE CONMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. Packer at 477ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | (Submit | it in Duplicate) | ALTER CASING | FRACTURE TREAT | SIDETRACK TO REPAIR WELL |
| CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER DISPOSAL CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. Packer at 477ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | Approxima | ate date work will start: | CASING REPAIR | NEW CONSTRUCTION | TEMPORARILY ABANDON |
| SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 6/3/2014 CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF COMMINGLE PRODUCING FORMATION RECLAMATION OF WELL SITE OTHER: OTHE | | | CHANGE TO PREVIOUS PLANS | OPERATOR CHANGE | TUBING REPAIR |
| (Submit Original Form Only) Date of work completion: 6/3/2014 CHANGE WELL STATUS PRODUCTION (START/RESUME) PRODUCTION (START/RESUME) OTHER: O | | | CHANGE TUBING | PLUG AND ABANDON | VENT OR FLARE |
| Date of work completion: 6/3/2014 COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE OTHER: CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. Packer at 477ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | | | CHANGE WELL NAME | PLUG BACK | WATER DISPOSAL |
| 6/3/2014 | | • • | CHANGE WELL STATUS | PRODUCTION (START/RESUME) | WATER SHUT-OFF |
| DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. Packer at 477ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | | • | COMMINGLE PRODUCING FORMATIONS | RECLAMATION OF WELL SITE | OTHER: |
| On 6/3/2013 shot 2 new sets of perforations 405-415 and 532-542 all at G.L. Then set a bridge plug at 566ft G.L. Packer at 477ft G.L. S.N. at 508.02 Very good showing of gas attached well to main gas line with a separator ready for gas sales. | 0/3/20 | | CONVERT WELL TYPE | RECOMPLETE - DIFFERENT FORMATION | |
| TILOE: 1 == | On 6/3/20 Packer at S.N. at 50 | 013 shot 2 new s 477ft G.L. 08.02 | sets of perforations 405-415 and | d 532-542 all at G.L. Then set a l | bridge plug at 566ft G.L. |
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| DIV. OF OIL, GAS & MINING | | | | | DIV. OF OIL, GAS & MINING |
| NAME (PLEASE PRINT) Gary Herick Interim President | NAME (PLEASE | PRINT Gary Herio | ck | πτιε Interim President | |
| SIGNATURE HELEY DATE | SIGNATURE | Day He | u | DATE | |

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